S. HRG. 100-604

PUBLIC TELECOMMUNICATIONS ACT OF 1988

HEARING

BEFORE THE

SUBCOMMITTEE ON COMMUNICATIONS

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

S. 2114

PUBLIC TELECOMMUNICATIONS ACT OF 1988

MARCH 15, 1988

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CONTENTS

	Page
Opening statement by Senator Inouye	1
Opening statement by Senator Rockefeller	3
Opening statement by the Chairman	3
Opening statement by Senator Pressler	9
Text of S. 2114	6

LIST OF WITNESSES

Bennet, Douglas J., president, National Public Radio	92
Prepared statement	93
Questions of Senator Inouye and the answers	110
Britt, David, president, chief operating officer, Children's Television Workshop	158
Prepared statement	160
Brugger, David, president, National Association of Public Television Stations	121
Prepared statement	122
Questions of Senator Inouye and the answers	129
Chadwick, Lynn, president, National Federation of Community Broadcasters	155
Prepared statement	156
Questions of Senator Inouye and the answers	157
Christensen, Bruce, president, Public Broadcasting Service	43
Prepared statement	45
Questions of Senator Inouye and the answers	53
Questions of Senator Packwood and the answers	86
Ledwig, Donald, president, Corporation for Public Broadcasting	9
Prepared statement	10
Questions of Senator Inouye and the answers	17
Questions of Senator Packwood and the answers	42
Riggs, Marlon, independent producer	186
Sapadin, Larry, co-chairman, National Coalition of Independent Broadcasting Producers	187
Prepared statement	189
Torres, Arnoldo, director, Latinos in Public Telecommunications	168
Prepared statement	172
Vecchione, Alfred, president, MacNeil/Lehrer Productions	162
Prepared statement	165
Wiseman, Frederick, independent producer	180
Prepared statement	182

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Association of Independents in Radio, statement	201
Bennet, Douglas J., president, National Public Radio, letters of:	
April 7, 1988	203
April 11, 1988	205
del Solar, Daniel, general manager, KALW, letter	197
Hernandez-Ramos, Florence, president & general manager, KUVO, statement	208
Kinderman, Gibbs, station WVMR, letter	210

PUBLIC TELECOMMUNICATIONS ACT OF 1988

TUESDAY, MARCH 15, 1988

U.S. SENATE,
SUBCOMMITTEE ON COMMUNICATIONS,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The subcommittee met at 9:00 a.m., in room SR-253, Russell Senate Office Building, Hon. Daniel K. Inouye (chairman of the subcommittee) presiding.

Staff members assigned to this hearing: Toni Cook, Tom Cohen, staff counsels; and Gina Keeney, minority staff counsel.

OPENING STATEMENT BY SENATOR INOUYE

Senator INOUYE. The hearing will please come to order.

Our public broadcasting system is responsible for much of the quality entertainment and educational video and audio programming. To ensure the continuation and expansion of this vital service, I introduced S. 2114, the Public Telecommunications Act of 1988.

This bill authorizes increased funding for the Corporation for Public Broadcasting for fiscal years 1991 through 1993, and for the public telecommunication facilities program for fiscal years 1989 through 1991. It continues the tradition of advanced funding for these important programs so that key long term planning decisions can be made.

In the 20 years since the adoption of the Public Broadcasting Act, public broadcasting has grown and matured. Public stations are generally viewed as the bastion of responsive programming. However, local programming is the most expensive to produce and the most difficult to finance. In addition, public broadcasting stations are finding it increasingly difficult to fund operations and programming, not to mention research and development.

To ensure that the CPB can assist stations in the maintenance of their current high quality programming, to enhance program production, and to further technological developments in the industry, S. 2114 authorizes funding for the CPB in the amount of $304 million for fiscal year 1991, $354 million for fiscal year 1992, and $404 million for fiscal year 1993.

These funding levels continue a 20 year trend of steadily increasing appropriations for the CPB. These amounts will enable all our broadcast stations to maintain their current high quality programming in the face of ever-increasing production costs.

The increasing funding will permit public broadcasting to add new programs reaching children and the local community. These

funds will also be used to expand the number of public radio stations and increase their ability to serve each local community.

I strongly believe that this bill properly balances the needs of the public broadcasters with the overall desire to reduce the budget deficit. S. 2114 also authorizes an additional $200 million to be used over a three year period to replace the satellite interconnection system. That system consists of four transponders and a ground system. The useful life of the transponders is expected to end in mid-1991 and the ground system would then be over 15 years old.

For public broadcast stations to continue to operate, the transponders must be replaced and the ground system upgraded. This is a one time authorization.

Finally, this bill authorizes funding for the public telecommunications facilities program. This program provides funds for the construction of stations that will provide service to unserved and underserved communities or segments of the population.

Extension of this service to these communities is one of the primary goals of the Communications Act. This program also provides for the repair and replacement of equipment. The Congress found several years ago that several public broadcast stations were operating with antiquated equipment that often broke down.

This situation continues. The program receives far more requests for assistance than it is currently able to satisfy. To continue to work toward this goal, it is important that the program have the necessary resources. This bill authorizes $36 million for the PTFB in fiscal year 1989, $39 million in fiscal year 1990, and $42 million in fiscal year 1981.

Although these levels represent increases over the previous authorization, the annual increase is only $4 million for 1989 and $3 million for each of the remaining three years. In the previous authorization bill, the annual increases were $4 million per year.

The increases proposed here are necessary to enable the program to overcome the effects of inflation and to permit a small increase in the number of stations assisted.

The purpose of this hearing is to provide an opportunity for parties to discuss the appropriate funding levels and to raise other matters related to public broadcasting. The first panel will address the specific funding needs and the basis for their projections.

The second panel will address the concerns of programmers who provide programming carried on the system, the needs of the public radio stations not currently funded by CPB, and the concerns of the Hispanic community.

The third panel will focus on independent television producers.

Before proceeding with the witnesses, I would like to call upon Senator Packwood if he has an opening statement to make.

Senator PACKWOOD. Mr. Chairman, I have no statement other than to say I am delighted to be here and to support public broadcasting. We get more value for the dollar out of it than most of the things we spend in government.

Senator INOUYE. I agree with you, sir.

Senator Rockefeller.

OPENING STATEMENT BY SENATOR ROCKEFELLER

Senator ROCKEFELLER. Thank you, Mr. Chairman.

As you know, I am not on your subcommittee, but I strongly support public television and radio, and I believe very strongly that this country has much to gain or much to lose by some of the decisions that are made by this committee, as well as the full committee.

I might say that in West Virginia WPBY, which is a public broadcasting station in Huntington, has every Monday evening a Homework Hotline, and in that call-in show it features math and science instruction for kids whose parents may not have reached the level yet where they are able to help their kids with math and science.

And so that is one contribution across southern West Virginia, which is our coal fields, which is not our most heavily educated area, where public television is performing a direct service, perhaps supplementing what goes on in the classroom. Frankly, that impresses me.

And McDowall County, Mr. Chairman, has the third highest unemployment of any county in the nation, and there is a public television station down there in that area, WSWP, that is able to supplement science and foreign languages and math, and does so on a regular basis, also calculus and chemistry. Not a lot of people out of McDowell County, Mr. Chairman, go to college, but if they are ever going to have a chance that particular WSWP is going to play a role in it.

In rural areas, I just do not think it is possible to calculate how much public television, as well as public radio, can supplement education which may or may not be carried out by our school systems.

So Mr. Chairman, I know we are not going to discuss the transfer tax this morning, and I think that is appropriate. I know you are going to have a later hearing on that. But I would make mention of the fact that I think that continues to be—not necessarily the transfer tax, but some form of permanent form of funding for public broadcasting is very much on my mind, as I know it is on yours.

And I thank you for allowing me to be at the hearing.

Senator INOUYE. I would like to assure my good friend from West Virginia that the matter he brought up at the end is constantly on my mind, and certainly it is on my Chairman's mind also.

I would like to call upon my Chairman, Mr. Hollings.

OPENING STATEMENT BY THE CHAIRMAN

The CHAIRMAN. Well, I thank you, Mr. Chairman, and you, Governor Rockefeller.

Jay has been leading this, and his charming wife has been our great inspiration.

Let me say this. In 1957 I had the privilege of joining with a group that led the way for the institution of one of the first state facilities, which has grown into one of the best in the nation the South Carolina Education Television System.

And in 1967, I co-sponsored the institution of the Corporation for Public Broadcasting.

It is fortuitous President Reagan has put on trial all government programs. We have had one grand eight-year struggle and wrangled over the worthiness of each and every one of them, because every one of them has been cut. This particular budget has been vetoed twice, and it has brought into question the worthiness and the continuation of it.

I was pleased last year when we got together and sponsored the transfer fee trust fund, because it really brought the troops to the fore. Everyone agreed there is no controversy about the need to support public broadcasters. Even the commercial broadcasters said they support public broadcasting. It also brought in focus the need for the fee—even the President supports some kind of spectrum fee.

It emphasized more than anything else in my mind that, as good a job as you do raising money, and we all participate in solicitations, the overhead and costs of in-house production facilities necessary to continue with the excellence has got to be supported by some kind of trust fund.

We just cannot spend 50 percent of our time out soliciting. That is just too much. Of course, we want to continue to solicit funding from all sources, and I think that is one of the strengths of public broadcasting, that we do draw many all sources.

But the bottom line is we do need, whether the President calls it a spectrum fee of some kind or a transfer fee or whatever, the institution of some staid, reliable, predictable source of financing. And I commend our Chairman, Senator Inouye, and Senator Packwood and Senator Rockefeller for all of their work here this morning.

We want to make sure that we do not get the public broadcasting budget all wrangled up in some kind of partisan situation about that particular fee. We want to have a special hearing on it and all work together.

And I think working together, I do not have any doubt, that we can get something instituted this year to continue the fine work you are doing.

I am pleased to be co-sponsor of S. 2114, the Public Telecommunications Act of 1987, authorizing funding for the Corporation for Public Broadcasting and the Public Telecommunications Facilities Program. I have long supported the American System of public broadcasting. It is a vital part of our broadcasting industry and an important source of informational, cultural and instructional programming.

There is no doubt in my mind that we will still need public broadcasters to provide quality programming. Many Americans rely on public broadcasting for substanstive in-depth treatment of current issues that commercial programs do not provide. Programs like MacNeil/Lehrer provide is with an opportunity to hear detailed debate on important issues. In addition, public broadcasting brings cultural events such as the Boston Pops into homes of many who might never travel to Boston.

In the area of education, public broadcasters work with our schools and universities to expand and supplement their curricu-

lum. Funding the education of our children is one of our foremost concerns today. The South Carolina educational television system provides 86 hours of instruction each day to schools, colleges, hospitals, state agencies and industries. All of this costs the state less than one percent of its education budget. This demonstrates that public broadcasting can economically and efficiently distribute educational information to our children, both in their homes and schools, and to other segments of the public. We need to encourage the expansion, not the curtailment, of such programs.

Programming is not the only service that public broadcasting provides us. Public broadcasting has often been on the cutting edge of new technologies. It was the public stations that first tested satellites for the delivery of programming. PBS recently won an Emmy for its work improving UHF broadcasting. There is no doubt that public broadcasting has continually strived to fulfill its commitment to providing quality service and to expanding its system to serve as many Americans as possible.

Despite these achievements, as we will hear today, there are vast differences of opinion on certain public broadcast issues. For example, independent producers will testify about the difficulties they encounter trying to produce programming directed towards minorities and diverse viewpoints. In addition, there are a significant number of public radio stations receive no federal funding. It is important that we carefully consider the testimony presented on these issues to ensure that public broadcasting continues to serve the needs of those it was designed to serve.

There are also differences of opinion as to how much funding public broadcasting should receive. The funding levels proposed in this bill are lower than those requested be public broadcasters and higher than those requested by the Administration. I believe that these funding levels represent an appropriate compromise: they reflect the need to eliminate the budget deficit while maintaining the integrity of our public broadcasting system.

Finally, there is one funding issue that will not be addressed at that hearing which I would like to touch on briefly. I have long believed that one of the most significant problems facing public broadcasters today is the uncertainty concerning future funding. In an effort to eliminate this roadblock, last year I proposed a public broadcasting trust fund during the consideration of the budget reconciliation legislation. I also introduced the trust fund as separate legislation, S. 1935, the Transfer Fee Act of 1987. I remain committed the trust fund proposal and I am looking to hearings on that bill shortly.

Thank you, Mr. Chairman.

[The bill and statement follow:]

100TH CONGRESS
2D SESSION

S. 2114

Entitled the "Public Telecommunications Act of 1988".

IN THE SENATE OF THE UNITED STATES

MARCH 1, 1988

Mr. INOUYE (for himself, Mr. HOLLINGS, and Mr. DANFORTH) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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A BILL

Entitled the "Public Telecommunications Act of 1988".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Telecommunications Facilities Act of 1988".

PUBLIC TELECOMMUNICATIONS AUTHORIZATION

SEC. 2. Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended—

(1) by striking "and" after "1987,"; and

(2) by inserting "$36,000,000 for fiscal year 1989, $39,000,000 for fiscal year 1990, and

$42,000,000 for fiscal year 1991," immediately after "1988,".

FINANCING OF CORPORATION FOR PUBLIC BROADCASTING

SEC. 3. (a) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(1) by striking "and 1990" and inserting in lieu thereof "1990, 1991, 1992, and 1993";

(2) by striking "and" after "fiscal year 1989,"; and

(3) by inserting before the period at the end thereof the following: ", $304,000,000 for fiscal year 1991, $354,000,000 for fiscal year 1992, and $404,000,000 for fiscal year 1993".

(b) Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended by adding at the end thereof the following new paragraph:

"(10)(A) There is hereby established in the Treasury a fund which shall be known as the Public Broadcasting Satellite Interconnection Fund (hereinafter in this subsection referred to as the "Satellite Interconnection Fund"), to be administered by the Secretary of the Treasury.

"(B) There is authorized to be appropriated to the Satellite Interconnection Fund, for fiscal year 1991, the amount of $200,000,000. If such amount is not appropriated in full for fiscal year 1991, the portion of such amount not yet appropriated is authorized to be appropriated for fiscal years 1992

and 1993. Funds appropriated to the Satellite Interconnection Fund shall remain available until expended.

"(C) The Secretary of the Treasury shall make available and disburse to the Corporation, at the beginning of fiscal year 1991 and of each succeeding fiscal year thereafter, such funds as have been appropriated to the Satellite Interconnection Fund for the fiscal year in which such disbursement is to be made.

"(D) Notwithstanding any other provision of this subsection except paragraphs (4), (5), (8), and (9), all funds appropriated to the Satellite Interconnection Fund—

"(i) shall be distributed by the Corporation to the licensees and permittees of noncommercial educational television broadcast stations providing public telecommunications services or the national entity they designate for satellite interconnection purposes and to those public telecommunications entities participating in the public radio satellite interconnection system or the national entity they designate for satellite interconnection purposes, exclusively for the capital costs of the replacement, refurbishment, or upgrading of their national satellite interconnection systems and associated maintenance of such systems; and

"(ii) shall not be used for the general administrative costs of the Corporation, the salaries or related ex-

penses of Corporation personnel and members of the Board, or for expenses of consultants and advisers to the Corporation.".

OPENING STATEMENT BY SENATOR PRESSLER

Thank you, Mr. Chairman, for scheduling today's hearing on the reauthorization of the Corporation for Public Broadcasting and the Public Telecommunications Facilities Program.

The South Dakota Public Broadcasting network provides an invaluable service in my home state. Dave Leonard, our state's executive director, and his excellent staff have done an outstanding job over the years. Just last month, I had the opportunity to meet with the South Dakota Public Broadcasting Board to discuss issues of importance to public broadcasting. Many of our state's leading citizens serve on the board. I was particularly impressed with the work they are doing in the field of educational programming.

So I am a strong supporter of public broadcasting. Thousands of people, especially in rural areas, depend upon public broadcasting for educational and cultural programming which otherwise would be unavailable to them.

The expansion of public radio coverage in my state was enhanced greatly last year by a grant from the Public Telecommunications Facilities Program. This grant enabled the establishment of a new transmitting station in the north central portion of the state. We are hopeful that another grant will be approved this year for a new station in the northwestern part of South Dakota, thus providing nearly complete coverage of the entire state. This source of federal matching funds has been critical to this effort.

We are all aware that the federal budget is tight and may have to get tighter. I am hopeful, however, that we can find an appropriate level of funding for a program as valuable to America as public broadcasting.

Again, Mr. Chairman, I thank you for holding this hearing and I look forward to hearing some testimony on cable carriage as well as funding.

Senator INOUYE. As always, your words are very important, sir. Our first panel consists of: the President of the Corporation for Public Broadcasting, Mr. Donald Ledwig; the President of the Public Broadcasting Service, Mr. Bruce Christensen; President of National Public Radio, Mr. Douglas J. Bennet; and the President of the National Association of Public Television Stations, Mr. David Brugger.

I believe we will begin with Mr. Ledwig.

STATEMENT OF DONALD LEDWIG, PRESIDENT, CORPORATION FOR PUBLIC BROADCASTING

Mr. LEDWIG. Mr. Chairman, with your permission I will submit my full statement for the record and summarize it now.

Senator INOUYE. Without objection, all of the statements will be made a part of the record and you can summarize them.

Mr. LEDWIG. Thank you.

Distinguished members of the subcommittee and the committee.

I appreciate this opportunity to testify in support of reauthorization of the Corporation for Public Broadcasting for fiscal years 1991 through 1993. But first I wish to express the Corporation's deepest appreciation for the strong support that this subcommittee has provided to public broadcasting, and to you, Mr. Chairman, and to you,

Chairman Hollings, for your personal leadership on behalf of the public service we offer to the nation.

Mr. Chairman, we stand by the quality and importance of our programming as the best test of your continued support for public broadcasting. I am here today to propose that Congress sustain and increase public broadcasting service by building on the substantial investment Americans already have made in their public broadcasting system.

To keep their system on the air nationwide, the satellite system that now distributes programs for public television and public radio must be replaced in 1991. Accordingly, CPB requests $200 million to replace that satellite with a new system, so we can continue to provide Americans with programming that meets the highest possible technical standards.

For general operations and in consideration of the difficult budgetary choices facing this Congress, CPB is requesting a lesser amount than that required to fully achieve our mandate, but an amount sufficient to provide cost-effective new programming and educational initiatives that will address urgent national problems.

Accordingly, the Corporation requests Congress to authorize funding, exclusive of satellite replacement costs, of $395 million for 1991, $411 million in 1992, and $427 million in 1993.

We will use these funds to increase and improve our children's and educational programing, our outreach efforts to address social problems such as the AIDS epidemic, drug abuse, and adult illiteracy, and enhance our informational and cultural programming.

For public radio, the increased funding we have requested will enable that growing medium to strengthen its local and national programming services and reach new and unserved audiences by expanding the number of noncommercial stations qualified for CPB support.

Mr. Chairman, historians trace the decline and fall of great civilizations to an earlier decline in their educational and cultural life. Public broadcasting works very hard to raise educational levels in America, enrich our cultural life, and provide reliable information for our growing audiences which we serve as citizens, not as consumers.

I believe these efforts help to strengthen our great civilization and therefore they merit public support. Accordingly, I request that the Corporation for Public Broadcasting be reauthorized for funding at the levels we have requested, so we can increase our efforts to strengthen the quality of life in America.

Thank you.

[The statement follows:]

STATEMENT OF DONALD E. LEDWIG, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CORPORATION FOR PUBLIC BROADCASTING

INTRODUCTION

Mr. Chairman, distinguished members of the Subcommittee, my name is Donald E. Ledwig. I am the President and Chief Executive Officer of the Corporation for Public Broadcasting.

I appreciate this opportunity to testify in support of reauthorization of the Corporation for Public Broadcasting for fiscal years 1991 through 1993.

First, I wish to express the Corporation's deepest appreciation for the strong support that this Subcommittee has provided to public broadcasting, and to you, Mr. Chairman, for your personal leadership on behalf of the public service we offer to the nation. I believe that millions of Americans are also grateful to the Congress for its visionary support of our efforts to educate, inform, and culturally enrich our citizens.

THE QUALITY OF PUBLIC BROADCASTING'S SERVICE TO AMERICANS

I know that I do not have to emphasize to this Subcommittee the importance and quality of the service we provide to the American people. You can see and hear that for yourselves by watching the *MacNeil/Lehrer NewsHour* or *Great Performances*—or sitting with your children to watch an episode of *Mr. Rogers' Neighborhood* or *Sesame Street*—or listening to public radio's *Morning Edition* or *All Things Considered.* We stand by the quality and importance of this programming as the best test of your continued support for public broadcasting.

BUILDING ON AMERICA'S INVESTMENT IN PUBLIC BROADCASTING

I am here today to propose that Congress sustain and increase public broadcasting's service by building on the substantial investment Americans already have made in their public broadcasting system. What is that investment? Today CPB helps support more than 330 public television stations that reach 93? of the American people over the air; 300 public radio stations that reach 82% of Americans; an interconnection system that links all of these stations to each other and to sources of national programming; and thousands of dedicated and talented people in communities all over America who provide the programming and operate the stations that provide these important services.

To keep this system on the air nationwide, the satellite system that now distributes programs for public television and public radio must be replaced in 1991. Accordingly, we are requesting $200 million to replace that satellite with a new system so we can continue to provide Americans with programming that meets the highest possible technical standards. The new satellite system will be designed to enable us to continue our leadership role in the development of stereo and high definition television, digital audio, and other technical advances.

The investment Congress makes in the public broadcasting system ensures that Americans receive the best cultural and educational programming available, for only pennies a day. Broadcasting is one of the most efficient way known to mankind to disseminate knowledge. To make the best use of this investment, we must have new programs to broadcast. During the last decade, public broadcasting has had to stretch a shrinking federal commitment further than ever before. Appropriations to CPB have just in the last year returned to the real dollar levels of a decade ago.

Over the past year the public broadcasting system has analyzed the federal funding it will require from 1991 through 1993 to enable us to fulfill the mandate originally envisioned by this Subcommittee in the Public Broadcasting Act. Higher proposed funding levels would begin to return the federal share of public broadcasting's total funding to a level approaching the 2-to-1 nonfederal to federal matching share originally envisioned by Congress. CPB believes the most effective way Congress can challenge public broadcasting to achieve its mandate to provide the share of federal funding Congress had in mind when it conceived that mandate.

However, in consideration of the difficult budgetary choices facing this Congress, CPB is requesting a lesser amount than that required to fully achieve our mandate, but an amount sufficient to provide cost effective new programming and educational initiatives that will address urgent national problems. Accordingly, CPB requests the Congress to authorize funding (exclusive of satellite replacement costs) of $395 million for 1991, increasing 4% a year to $411 million in 1992 and $427 million in 1993.

CHILDREN—AMERICA'S FUTURE

Children spend more time before their television sets than before their teachers and almost as much time watching TV as they spend with their parents. Studies show that children who watch public television are better prepared to enter school and make better students that those who do not. Through support for public broadcasting, Congress can help ensure that children will have an opportunity to spend their TV time watching programs that instruct, enlighten and stimulate wonder and imagination. With these new funds, we can develop public public broadcasting's

untapped educational potential in ways that are impossible at current funding levels.

Public broadcasting can bring the best teachers into the poorest schools, and it can bring the benefits of state-of-the-art science labs into poorly equipped classrooms. Funds are needed to create this programming and to provide it to local public broadcasting stations, schools and homes.

The funding we have requested will enable us to provide new children's educational programs such as:

New programming for preschool children;
Major prime time series repackaged for school age children;
Programming for children at risk of falling victim to many of society's problems;
As well as programs addressing adult educational needs, such as:
Programming to combat audult illiteracy;
Major prime time series repackaged as adult education vehicles.

MEETING THE CHALLENGES FACING AMERICA

With sufficient federal resources we can lift the aspirations of our society, and pull the country together to meet the critical challenges facing America today, which include:

An educational crisis of high school dropouts and under-educated graduates that threatens the cultural literacy of our nation. With more high-quality educational and instructional programming, public broadcasting can help reach these young adults before they turn off completely to education.

A growing percentage of our workforce that lacks the skills to enable American companies to compete in sophisticated world markets which demand high quality, advanced-technology goods and services. Public broadcasting can provide adult learning and continuing educational opportunities at home and in the workplace to improve the skills of American workers;

A growing population of adult illiterates that is underproductive, underachiving, alienated, and trapped in a world bereft of written thought. Through such programs as Project Literacy U.S. (PLUS), public broadcasting has started to help society reach those in need of literacy skills;

A crisis of drugs and substance abuse that is sweeping the nation. Public broadcasting, through such programs as The Chemical People, can play an important role in reducing the demand for drugs by increasing awareness of the dangers of drug abuse;

An AIDS epidemic that threatens our families and may overwhelm our health care systems. We must combat AIDS by informing people of its dangers and how to avoid it. Public broadcasting can continue to provide this lifesaving information.

NEW PROGRAMMING THAT REFLECTS OUR DIVERSE CULTURE

With increased funding, public broadcasting also will add new programs of the highest caliber to serve the needs of our diverse audience in areas of public and cultural affairs, science and nature, history, the arts, music, and drama.

The funding we have requested will enable us to provide new programming such as:

More news specials;
Current affairs documentaries and interview programs;
New American-produced drama;
Children's prime time specials; and
New special prime time series.

The diversity of subject matter will be matched by the diversity of producers—stations, independent producers and others.

A PROVEN TRACK RECORD

CPB has demonstrated its ability to put new funds to good use and to use those funds to leverage much larger sums from nonfederal sources. For example, the increase in funding that CPB received in FY 1987 provided the resources needed to take bold new steps in meeting the mandate this Committee envisioned for public broadcasting. Those new funds enabled CPB to:

Create a public television Challenge Fund—a new means of challenging stations to match federal contributions for production of new programming—which has resulted in programs such as a new multi-part series entitled "Mexico," airing this fall, that will give Americans a much-needed close look at our Southern neighbor;

Create an Outreach Alliance that has focused programming and other efforts on drug abuse, child care and workplace illiteracy;

Increase support for children's educational programs, particularly Square One TV, which targets the problem of declining math skills in our youth;

Initiate a major new television series on American history, the American Experience;

Focus resources on developing public radio's audience by attracting new audiences and changing services to increase listening among existing audiences.

Thus, as recently as 1987 public broadcasting demonstrated once again that it will deliver bold, creative, new services that meet the needs of our citizens, by using the funds endorsed by this Committee in the most cost effective way possible.

SUPPORTING THE GROWTH OF PUBLIC RADIO

For public radio, the increased funding we have requested will enable that growing medium to strengthen its local and national programming services, and reach new and underserved audiences by expanding the number of noncommercial stations qualified for CPB support. The strength of public radio is truly its grassroots nature; but those roots must be strengthened if public radio is to meet the needs of Americans in all their regional and ethnic diversity.

CPB'S COMMITMENT TO PROGRAM QUALITY AND DIVERSITY

Congress declared the purpose of CPB is to: "facilitate the full development of public telecommunications in which programs of high quality, diversity, creativity, excellence, and innovation, which are drawn from diverse sources. . . ." CPB has made the pursuit of diversity an integral part of its mission and all its activities. However, CPB follows a course that will make a contribution to each of the expectations set for it, without focusing on only a single one.

CPB has assumed that Congressional interest in programming from diverse sources was intended to encourage production from many different sources, not from a particular type of source. This was intended to counter the homogeneity of network control of production in commercial television. Accordingly, CPB funds programs from many different stations and producers and combinations thereof.

In FY 1987, for instance, in addition to the public television Program Challenge Fund and the major series, the Program Fund financed 55 projects in its competitive selection process. Of those 55, 24 were independent productions, 26 were station productions and 5 were co-productions between stations and independents.

Furthermore, CPB is responsible for putting in place a program distribution system (the interconnection system) that allows stations to receive programming from many different sources. Any producer who wants to distribute a program to stations has access to the satellite at cost. No other broadcast system offers independent producers this opportunity. At the end of this statement is a summary of other CPB efforts on behalf of independent producers. (Attachment 1)[1]

CPB'S DEFINITION OF AN INDEPENDENT PRODUCER

CPB monitors its own effectiveness in pursuing diverse sources of programming, including independent productions. In measuring tis performance, CPB uses the following criteria for judging an independent production:

A. The producer has no affiliation with a public or commercial broadcasting license which could exercise content or fiscal control over the project; and

B. The producer has control over the budget and content of the productions, subject to oversight by CPB or its designee to satisfy the Corporation's mandate as steward of federal funds, and to ensure that the production is consistent with the original proposal and meets the system's journalistic, artistic, and technical standards.

By the first criterion CPB intends that with regard to the production under consideration, the individual or individuals not be full, part-time or per diem employees or free lance producers of public or commercial television licenses. Many independent producers may work either full or part-time for broadcast licenses as a means of supporting themselves but, to the extent that the employer exercises no control over the production being funded, CPB would exempt these relationshios. This definition should not preclude independents working through public television stations as long as it is their choice and they maintain the necessary control over the production.

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[1] The attachments were not reproducible and are in the Committee files.

By the second criterion, CPB intends to provide the maximum amount of freedom to the independent producer consistent with good bussiness practice. CPB's designee, besides the Program Fund, could be PBS in the case of journalistic standards, and executive producer of one of the consortia, or an executive producer hired by CPB for a specific purpose.

Fiscal control is exercised to ensure that the full amount of money in the budget is justified, that it is spent in accordance with the agremeent and for the items indicated in the budget, and that the appropriate rights are secured.

CPB wishes to ensure that the finished production is suitable for air and that it conforms to the description in the contract. It is not CPB's intent to dictate the content or approach of a production but to ensure that the final work meets public broadcasting standards. Some independent producers readily accept the guidance of an executive producer; some will consent to it only in an advisory capacity; and some may reject the idea entirely. Should there be an irreconcilable difference between CPB or its designee and the producer which requires a substantive change in the production, CPB would not consider it an independent production.

CPB developed this definition in draft, then solicited input and opinions from the Association of Independent Video and Filmmakers (AVIF), major public television program series executives, PBS, and the Minority Consortia. Their comments were considered in finalizing the current definition. It should be noted that their comments differed widely and, in many cases, were in conflict. It was CPB's hope to develop a definition which adressed our major concerns, particularly, ensuring basic artistic and editorial freedom for independent producers while providing the oversight necessary to meet our responsibility to Congress and the American people.

CPB'S SUPPORT FOR INDEPENDENT PRODUCERS

CPB takes seriously its commitment to involve independent producers fully in the process of providing high-quality programs to the American people. We are proud of CPB's record of major support for independent producers over the years. Prior to 1978, the year when Congress mandated CPB to allocate a "substantial" amount of the money reserved for program funding to independent producers, independent producers received few of CPB's programming funds. For example, in 1976 it appears that independent producers accounted for less than 5% of CPB program funding (precise records of independent producer funding were not kept prior to 1978). However, in 1986, the last year for which complete data are available, independents accounted for nearly 47% of CPB programming support. This dramatic increase has resulted from CPB's financial commitment to independents and the inherent flexibility CPB can exercise with growing levels of federal support.

CPB's strong support for independent producer also is reflected in the fact that of the $156,130,000 CPB has provided in direct financial support of television programs from 1980 to 1986, $72,365,000 or 46% has been reserved for independent producers. This substantial level of funding demonstrates that CPB indeed has fulfilled its mandate to support independent producers. The following table summarizes CPB's support for independent producers from 1980 to 1986.

DISTRIBUTION OF DIRECT TV PROGRAM PRODUCTION ASSISTANCE BY THE TYPE OF PRODUCER—BETWEEN FISCAL YEARS 1980–1986

[Dollars in millions]

	1980	1981	1982	1983	1984	1985	1986
Production awards by type of producer:							
Funds awarded to independent producers	$6.6	$8.4	$9.0	$9.8	$12.0	$13.6	$13.0
Funds awarded to others	$11.3	$11.4	$11.8	$11.7	$10.3	$12.4	$14.9
Total direct assistance to producers [1]	$17.9	$19.8	$20.8	$21.5	$22.3	$26.0	$27.9
Percent of funds awarded to independents	36.8	42.5	43.2	45.8	54.0	52.3	46.5

[1] Funds awarded by CPB to underwrite specific TV programs. Excludes funds that support programming indirectly such as funds spent on music royalties, advertising, captioning and similar expenses.

These statistics show that independent producers have become an indispensable source of public broadcast programming. Public broadcasting appreciates and relies heavily on independents. Public television stations and independents are not mutu-

ally exclusive; CPB supports both, for the merger of the two best serves the American people. Attached to the end of this statement is a set of tables detailing year-by-year commitments by CPB's Program Fund to independent producers. (Attachment 2)

By design, much of CPB's support for independents goes through the major program series (i.e., *WonderWorks, Frontline, MacNeil/Lehrer NewsHour, American Playhouse, Great Performances, The American Experience*). Inclusion in a major program series assures that independent work receives the benefits of the fullest exposure public television can provide: carriage on the majority of public television stations, promotion, and a significant prime time audience.

Public television relies heavily on the major program series, because series provide continuity to the program schedule which enables Americans to view public television programs more easily. Also, through the major series, public television can afford to promote programs and build an audience. The system cannot survive on an evening line up consisting largely of disconnected, single-episode programs.

The major program series that CPB funds rely heavily on independent producers. Consequently, independent producers are eager to participate in major series, for the independents gain much greater exposure and publicity through the series than through one-shot documentaries or other programs.

A complaint of independent producer representatives is that the use of an executive producer on the major program series somehow deprives independent producers of their "independence." However, the major program series rely on an executive producer to maintain continuity, cohesiveness, shape, form and structure of the series, and to ensure that the series adheres to the highest standards of journalistic and artistic quality and production standards. The executive producer also ensures that production timelines are met and that overall series expenditures remain within approved budget allocations. If the use of an executive producer *per se* causes a problem for independent producer representatives, then their demands are not realistic for the broadcast or any other medium. The executive producer is a cornerstone of broadcast and film production, just as an editor is a fact of life to print journalism—even to free lance journalists.

Independents who participate in major program series will tell you the episodes they produce are *their* product. CPB does not count towards its obligation to support independent producers, the work of any producer who feels his or her artistic integrity or independence within a series has been compromised.

THE IMPLICATIONS OF A SET-ASIDE FOR INDEPENDENT PRODUCERS

Representatives of independent producer groups have argued for an increasing amount of CPB production funding. They have proposed set-asides and/or changes in CPB's definition of an independent producer as means of accomplishing this goal. Creating a set-aside of CPB programming funds for smaller independent producers (i.e., the Independent Program Service proposal) amounts to choosing programming on the basis of the status of the producer rather than on the quality of the program. This is inconsistent with CPB's mission to seek out the highest quality productions. CPB believes it was not Congress' intent to support independents simply because of their status as independents, but rather because of the programming contributions they make to public television. However, those contributions must be usable by public television in order to benefit American viewers.

A set-aside for smaller or individual independent producers ignores the tremendous diversity of other entities that fit the description "independent producer": everything from Children's Television Workshop (CTW) and the Agency for Instructional Television (AIT), to museums, and universities and many other cultural institutions. Together this great variety of program sources produces the "programs of high quality, diversity . . . obtained from diverse sources . . ." that Congress demands of public broadcasting. A predictable response from these institutions to a set-aside for smaller independents would be to request their own set-aside. The line of producers requesting favored treatment would grow and grow.

Based on the Program Fund's history of independents' proposals, a set-aside for smaller independents is likely to result in an overabundance of single-episode, individual point-of-view, cultural or public affairs documentaries that are very difficult for the public television system to use, schedule and promote. Less emphasis would be placed on children's programming, nightly news, or long-form drama. These important program types tend to be produced by larger and more diverse independent entities. Thus, a set-aside for small independent producers might produce the ironic effect of *reducing* rather than enhancing program diversity.

Under a set-aside, the production of programs likely will be the primary mission; less emphasis will be placed on whether such programming is of a nature or quality that is likely to be aired on public television. Such a mission is more appropriate for an endowment or artist's subsidy program, such as the Media Arts Program of the National Endowment for the Arts. CPB's mission, on the other hand, is to finance high-quality programming with a high likelihood of airing on the national program service, and thus of reaching the American people. CPB views this goal as a prudent use of federal funds entrusted to it.

If Congress were to require that CPB rewrite its definition of "independent producer" to exclude independent producers of the major series, then CPB would have to withdraw much of its support from the series and use the funds to support large numbers of completely independent projects, in order to meet its obligation under the Act to support independents. Public television could be deprived of the funds it needs to support the major program series and may face problems aggregating the funds needed to continue to produce and promote the major program streams that now serve the public so well.

CPB believes that the compaints of the representatives of independent producers are a symptom of the underlying problem facing public broadcasting: lack of a sufficient federal commitment to fully achieve the mandate envisioned by Congress. With significantly more federal resources, the public television system could afford to take greater programming risks, developing more new and innovative series of programming to serve American audiences. But to further divide limited program dollars with restrictive set-asides, or to rechannel CPB funds away from the major program series, will disserve the public by diluting the quality of existing public television programming.

ASSURANCE OF CABLE CARRIAGE IS CRITICAL TO PUBLIC TELEVISION'S SURVIVAL

In providing support for public broadcasting's programs, the Congress assumed that Americans could receive broadcasts of the noncommercial programs they fund on public broadcasting. But half of the American people now receive their television signals through cable systems; and as a result of a regulatory and judicial process that has stood the public interest on its head, they now have no assurance of access to noncommercial, publicly financed programs on cable. Taxpaying Americans have a right to see the programs they fund, especially through cable systems which are generally franchised by local governments. If the FCC or the courts will not protect that right, then hopefully this Congress will.

Historians trace the decline and fall of great civilizations to an earlier decline in their educational and cultural life. Public broadcasting works very hard to raise educational levels in America, enrich our cultural life, and provide reliable information for our growing audiences, which we serve as citizens, not as consumers. I believe our efforts help to strengthen our great civilization and therefore they merit public support. Accordingly, I request that the Corporation for Public Broadcasting be reauthorized for funding at levels we have requested so we can increase our efforts to strengthen the quality of life in America.

Thank you.

QUESTIONS OF SENATOR INOUYE AND THE ANSWERS

MR. LEDWIG, PLEASE OUTLINE HOW YOU WOULD SPEND THE FUNDS THE CPB HAS REQUESTED FOR FISCAL YEARS 1991-1993.

CPB's FY 1991-1993 request mirrors the priorities and opportunities facing American public broadcasting and its audiences in the 1990's. With the level of funds requested CPB would be able to:

- 0 replace the station interconnection system that will go out of service in 1991,
- 0 continue to help support the operations of approximately 300 television and 320 radio stations in all fifty states, the U.S. Virgin Islands, Puerto Rico, American Samoa, and Guam,
- 0 improve materially the ability of public radio and television to produce and distribute signature American public broadcasting programs that address social, cultural and educational issues of concern to the country today,
- 0 leverage nonfederal financial resources and skills of public broadcasting to help communities use their local public broadcasting stations to address local issues and social problems more effectively,
- 0 expand and enhance public television's ability to serve as a cost-effective educational resource that can be used in the classroom and at home by both children and adults, and
- 0 expand access to locally-based, community focused, public radio so that it is readily available to the widest possible audiences.

THE FUNDING LEVELS SET FORTH IN S. 2114 ARE SIGNIFICANTLY LOWER THAN CPB HAS REQUESTED. HOW WILL THE PLANS YOU HAVE JUST OUTLINED BE REVISED IF S. 2114 IS PASSED?

Please refer to the attached table (Attachment 2) that compares our request and the levels cited in S. 2114. This table identifies the changes in allocations required by law at the different funding levels. As you can see all allocations would be reduced under S. 2114 when compared to CPB's requested levels. However, these differences would moderate in FY 1993 when the variance between the two proposals narrows to $23 million.

If the levels in S. 2114 become law, CPB and public broadcasting would have to defer needed improvements and hope that cost increases over the period would not erode too much of the buying power of funds actually appropriated. While it is not possible to identify particular activities that would be cut or reduced, several projects would clearly suffer. Programs to expand radio coverage and to develop television programming initiatives would have to be cut back. Grants to stations would certainly suffer because of the high portion of all funds that go directly to station grantees in the form of community service grants.

CPB's general ability to underwrite support services such as training, research and technical assistance would also decrease significantly.

WHAT WOULD BE THE IMPACT OF THE PRESIDENT'S PROPOSAL TO LIMIT FUNDING TO $214 MILLION IN 1991? WHAT EFFECT WOULD THIS FUNDING LEVEL HAVE ON THE REPLACEMENT OF THE SATELLITE INTERCONNECTION SYSTEM?

Most critically, the system would be faced with the problem of financing the replacement of the satellite interconnection system through commercial markets, without any help from the federal government. This would, in all likelihood, result in the selection of a least-cost, low quality, alternative that would still drain station operating capital, impoverish many smaller stations with limited sources of cash, and force some of these stations out of the system. CPB would have to reduce funding in all areas to help underwrite the satellite replacement plan. This change would force us to reduce CSGs going to stations, cut support for programming and would force us to eliminate some support programs.

The drain on system program development resources would be the most damaging. In order to exist, the system would have to scavenge essential programming dollars to put the new interconnection system in place. However, that new system would have less programming to distribute because production funds would have been spent on hardware development. The system would become more dependent on low quality programming, reruns, and imported programs, the very problems CPB is attempting to address in our FY 1991-1993 proposals. Funds for outreach programming and similar efforts that are the keystone of current activities and future plans would be very limited at best.

Finally, consider the impact of the President's proposal in relation to the declining cultural literacy of young Americans, to the growing numbers of adults are illiterate and undereducated, and to the social crises plaguing America such as AIDS, drugs abuse and child abuse confront America. Public broadcasting is tasked by Congress to address these crises only to be faced with cutbacks and freezes called for by the Administration.

WILL THE REQUEST FOR $200 MILLION TO REPLACE THE SATELLITE INTERCONNECTION SYSTEM COVER THE ENTIRE COST OF THE SYSTEM?

At this time we believe that the system can be rebuilt for approximately $200 million (in 1991 dollars). The exact cost will depend on final configurations, the amount of ground facilities needed, and the cost of acquiring transponders. Plans underway are based on the belief that total costs can be kept to that $200 million level.

IT IS MY UNDERSTANDING THAT THE ACTUAL COST TO REPLACE THE SATELLITE INTERCONNECTION SYSTEM HAS NOT BEEN DETERMINED. WHERE DO YOU ANTICIPATE GETTING ADDITIONAL FUNDS FOR THE SYSTEM IF IT COSTS MORE THAN $200 MILLION?

If the total cost of replacing the system unavoidably exceeds $200 million, the system, with CPB's help would have to consider all options for additional funding. The course chosen would depend on many factors such as the cause of the overage, the useful life of the new system, and other issues. Because Congress has tasked CPB with the responsibility of assuring that public stations have access to an interconnection system we cannot preclude the possibility of returning to Congress for additional support. However, that possibility is considered remote and CPB is making every effort to assure that the new system will be the most cost-effective, long-lived solution possible.

WHAT PERCENTAGE OF THE $200 MILLION WILL GO TO RADIO AND WHAT PERCENTAGE WILL GO TO TELEVISION?

The nature of a project such as this does not lend itself to formula allocations. The cost of replacing the systems for both radio and television are not, apriori, allocatable costs. The final system will meet, within the limits of funds and technology, the needs of both radio and television. It will, of course be possible to determine the distribution of costs between radio and television after the system has been completed.

APPROXIMATELY HOW MUCH WILL IT COST TO UPGRADE THE GROUND SYSTEM FOR RADIO?

Currently, NPR estimates the ground system will cost $26.4 million.

OVER THE LAST TWO YEARS, HOW MUCH OF THE MONEY APPROPRIATED TO CPB WAS SPENT ANNUALLY ON THE FOLLOWING:

- **BOARD MEETINGS?**
- **REIMBURSING EACH MEMBER OF THE BOARD OF DIRECTORS FOR EXPENSES?**

CPB BOARD MEETING EXPENSES: FY 1986; $8,229; FY 1987: $14,333

CPB BOARD MEMBER EXPENSES (FEES AND EXPENSES): FY 1986: $56,116; FY 1987: $74, 242

ACCORDING TO THE JANUARY 31, 1988 FINANCIAL STATEMENT, CPB CORPORATE ADMINISTRATIVE EXPENSES WILL TOTAL $9,190,000. DESCRIBE IN DETAIL THE EXPENSES ATTRIBUTABLE TO EACH OF THE CATEGORIES LISTED. WHAT EXACTLY ARE THOSE COSTS?

Our enabling legislation requires that CPB distribute at least 95 percent of all appropriated funds outside the Corporation itself. This requirement, in reverse, limits the amount CPB can spend directly on itself from appropriated funds to 5 percent. These costs have been, somewhat erroneously, characterized as "corporate administrative costs." This description implies "overhead" or "administration" expenses only and fails to acknowledge that CPB incurs many direct program costs that are charged to "administration" because of the strict legislative guidelines in our law.

CPB annually spends a little more than 4 percent of its federal appropriations on activities defined to be included in our 5 percent limitation [the balance is allocated to programs that directly underwrite system activities such as training, royalty fees and similar system-wide costs]. In FY 1988 CPB expects to spend $9.2 million on corporate support activities or 4.3 percent of our $214 million appropriation. The following expenses are budgeted:

Personnel and related costs	$5.8 Million
Consultants and other professional services	.1
Travel and related expenses	.5
Rent and other logistical costs	2.5
Miscellaneous expenses	.2
Board fees and expenses	.1
Total Support Budget	$9.2 Million

ONE OF THE CONCERNS THAT HAS BEEN RAISED ABOUT THE PROGRAM FUND IS THAT THERE IS LITTLE CONTINUITY ON THE PANELS FROM YEAR TO YEAR AND THAT THIS HAS A NEGATIVE EFFECT ON THE RESULTING PROGRAMMING. COULD YOU EXPLAIN HOW THE PANEL PROCESS WORKS, HOW THE PANELS ARE SELECTED AND RESPOND TO THIS ASSERTATION?

Panels of experts are utilized in virtually all program decision making and in setting program priorities. Some panels review projects on a program-by-program basis; other projects are reviewed annually, after-the-fact.

In Open Solicitation, panels of outside experts are called upon to review proposals submitted by stations and independent producers and make funding recommendations in each of three rounds per year. Between 200 and 300 proposals are received in each round. All are reviewed by highly-qualified staff who pared down the number of proposals to one that is manageable (usually 60-65 projects) for a panel to evaluate during a three-day stay in Washington.

In order to avoid conflict of interest, panelists are selected following the determination of projects that will move forward for panel review. Naturally, stations and independent producers who submit proposals, or are affiliated with a project in any way in a given round, are ineligible to participate as panelists. The Program Fund carefully selects panelists based on the program content of the projects under consideration, e.g., expertise in drama, journalism, children's programming, etc. All panels are also geographically and ethnically diverse to ensure that fair representation is given to all racial minorities and regional areas of the country. CPB also sees to it that women are consistently represented on each panel.

Annual decision making about continued support for the major series is based on the advice of outside individuals with expertise in related program fields, i.e., drama, public affairs, etc. The major series review panels are different from Open Solicitation panels in that we have a complete season of fully-produced programs available for review rather than just printed proposals for programs. These panels are convened each summer to critique the series and to discuss artistic/editorial standards, subject matter, strengths, weaknesses, etc. Ultimately, they make recommendations regarding continued CPB support. Like Open Solicitation panels, these series review panels are geographically and ethnically diverse, and utilize independent producers and women. In addition, each series has a governing board that is fiscally responsible for the series and an artistic or editorial advisory committee that provides oversight on program content during the course of the year.

It is not practicable to utilize panels of experts on an individual program decision-making basis for major series funding for several reasons. Decisions must be made on an on-going basis over a period of time based on availability of works appropriate for inclusion in the series. In some cases, the executive producer is attempting to acquire rights to a property or put together coproduction financing for a given project up to a year in advance. In other cases, a property may become available, a timely idea may be submitted, or funding may fall into place at the last minute. The need to be responsive and the ability to produce and acquire works that will assure consistency, continuity and high-quality within these series preclude the use of panels at the proposal review stage.

These series are a mainstay of the public television system. They provide stability, have substantial support from sources outside of CPB, and attract audiences. They must be viewed from a different vantage point. The in-depth evaluation these series receive at the end of each season by qualified experts outside of CPB provides valuable input into CPB's decision whether to continue funding for the series.

Other panels convened by CPB include Public Television Program Challenge Fund panels which review, evaluate and recommend funding for high-visibility, prime-time, limited series program proposals several

times a year; other "special solicitation" proposal review panels offered from time to time in special areas of emphasis; and program priorities panels which review and make recommendations on broad generic program areas of emphasis for the Program Fund (annually).

Over the years, the Program Fund has evaluated the advantages and disadvantages of instituting "standing panels," where some or all members of the panel would serve for a prescribed period of time. We have not been convinced of the arguments in favor of such an arrangement, nor do we believe that it has a negative impact on the resulting programming. Among other things, a standing panel would limit the number of individuals given the opportunity to participate on panels, something that we have consistently been told is a valuable learning tool for producers, particularly independents. In addition, it would preclude proposal submission and competition for funds by those individuals selected as panelists. More importantly, however, CPB proposal submission guidelines allow a producer to submit a proposal twice for R&D and twice for support. If unsuccessful in each of those instances, a final submission for completion funds is allowed if, without CPB support, the project has been able to move forward toward the final stages of production. CPB believes that a standing panel that votes negatively on a project in its first entry into the process is likely to continue to vote in that manner, thus eliminating the opportunity and potential for a producer to receive funds through a fair and open competition.

WHO HAS SERVED ON THESE PANELS OVER THE LAST TWO YEARS, AND HOW MANY PANELISTS WERE WOMEN AND MINORITIES?

Since its first meeting in 1981, the Program Fund has convened over 100 panels, calling upon the talents of over 740 "experts," including more than 250 independent producers, 287 women and 200 minorities. Panels consist of independent producers; station managers, program managers, and producers; journalists; writers; directors; educators; critics; and minority consortia directors.

WHAT PERCENTAGE OF CPB'S FUNDING HAS BEEN DEVOTED TO PROGRAM PRODUCTION OVER THE LAST THREE YEARS?

Approximately 25% of CPB's annual appropriation is allocated to national programming development and production. In 1985, 1986 and 1987, the percentage of CPB funding devoted to program production was 26.7%, 25.6%, and 24.6% respectively. The 25% figure does not include the average $3.3 million in music royalties CPB has paid in each of the last 3 years or the millions of dollars stations spend from their CSGs on other than local programming.

HOW MUCH OF THAT MONEY WAS DISTRIBUTED THROUGH THE PANEL PROCESS?

During the last three years, an average of 94% of the funds committed by the Program Fund for production were allocated through the use of proposal and program review panels.

HOW MANY PROGRAMS WERE FUNDED BY CPB OUTSIDE OF THE PANEL PROCESS?

The answer is twofold. It is impractical to panel three projects that receive Program Fund support on an annual basis: 1) special events coverage because of its timely, late-breaking news event nature; 2) step-up funds which are awarded to station and independent producers for expenses incurred in arranging for the acquisition, packaging and delivery of programs for use in filling gaps in the PBS National Program Service schedule; and 3) regional network matching program funds, designed to stimulate local production regionally which is suitable for national distribution. In these cases, the regional network organizations have their own program committees/panels which review proposals submitted to ensure a fair competition.

Besides those mentioned above, an average of 7 programs each year were funded without the advice of panels of experts in the past three fiscal years.

HOW IS IT DETERMINED WHICH PROGRAMS DO NOT HAVE TO RECEIVE FUNDING THROUGH THE PANEL PROCESS?

In almost every case, decisions were made due to time constraints that precluded the producers' entering the project in formal submission processes which entail a three-month period from deadline to funding announcement.

HOW MUCH OF YOUR FUNDING DO YOU INTEND TO DEVOTE TO THE PROGRAM FUND IN THE NEXT THREE YEARS?

Under current planning, CPB expects to allocate between $38 and $42 million each year to the Program Fund over the next three years.

HOW OFTEN DOES THE PANEL MEET; HOW LONG DO THESE SESSIONS LAST?

Open Solicitation advisory panels meet three times per year for three full days. However, panelists are in receipt of the materials under consideration four weeks in advance. Challenge Fund panels review projects sporadically throughout the course of the year. The number of panels is driven by the number of proposals under consideration for Challenge Fund support during that year. Major series review panels are convened annually, and priority review panels, biannually.

ON THE AVERAGE HOW MANY PROPOSALS ARE CONSIDERED BY EACH PANEL?

Open Solicitation panels consider between 58 and 65 proposals each round. Challenge Fund proposal review panels evaluate between 1 and 6 projects. The number of proposals considered by other panels convened for special solicitations varies based on producers' response to the solicitation. Typically, a panel could not review more than 65 projects.

WHAT ARE THE CRITERIA FOR RADIO STATIONS TO QUALIFY FOR FUNDING FROM THE CPB?

ELIGIBLE GRANTEE: An eligible grantee shall be defined as an on-the-air (AM or FM) station operating under a noncommercial educational license granted by the FCC which meets all the criteria set forth below:

The station must be designated by the FCC as a noncommercial, educational radio station. The station must have transmitter power sufficient to provide primary signal coverage in the community of license.

This requirement ensures CPB that the station meets all FCC rules and regulations. It also seeks to ensure that the station will provide a clear, uninterrupted signal to its community of license. That is important because the majority of a station's support will come from its community of license.

MANAGEMENT AND STAFF: A minimum of five full-time professional radio station staff must be employed on an annual (12 month) basis. At least three full-time staff members should be employed in managerial and/or programming positions. Minimum staff cannot be paid with CSG funds.

This requirement exists because although it is possible to operate a station with fewer that five full-time positions, the level of quality and professionalism at such stations may not be consistent. Consistency in the quality of service and professionalism provided by a station will enhance its potential to generate support from its local community.

The number of staff was determined by surveying the average and median staff sizes at CPB qualified stations. The requirement for three management level positions encourages stations to hire a station manager, a program director and a development director. The other two positions could be made up of announcers and/or engineering positions.

FACILITIES: A station must have sufficient, professionally equipped on-air and production facilities to allow for broadcast of programming of high technical quality including the capability for simultaneous local production and origination. In addition, sufficient office space must be provided.

BROADCAST OPERATIONS: The station's minimum operational schedule must be 18 hours a day, 365 days a year. However, AM stations which are restricted by the terms of license to less than minimum broadcast schedule required by the CPB policy will be eligible for assistance if all other criteria are met.

The two requirements above establish minimum standards of technical quality and professionalism in service delivery. They are in place to encourage stations to maintain equipment and facilities in a manner which will result in high-quality service delivery; to generate a regular local production presence; and, to provide a consistent and professional daily broadcast presence.

PROGRAMMING: The station's daily broadcast schedule must be devoted primarily to programming of good quality which served demonstrated community needs of an educational, informational, and cultural nature, within its primary signal area. Such programming should be intended for a general audience.

The rationale for this requirement is based on CPB's goal to assist in the provision of high quality programming that serves the general interests, needs and desires of the local community. Additionally, the probability of a general audience station being able to generate continuing local support is greater than it would be if the station provided programming of interest only to its licensee.

NON-FEDERAL INCOME: Each grantee must have a minimum non-federal annual income of $150,000.

The rationale for this requirement is based on the fact that the local community must be able to provide for the basic operational costs of the station. Stations must have a predictable level of funding to sustain a professional broadcast operation.

The amount was determined by surveying average and median basic operational costs for the system. It is subject to change as the basic operational costs of running a station at the minimum level of CSG eligibility change.

HAVE THOSE STANDARDS BEEN EVALUATED RECENTLY?

Each year a Community Service Grant Review is completed by the Broadcast Services department at CPB to assess the various criteria.

The last such review was the FY 1989 CSG Review. It began in January 1987 with a solicitation of issues for system discussion. The process involved consultation with all regional and national organizations, direct consultation with stations through discussion papers,

presentations at national and regional meetings and consultation with separate advisory committees for television and radio. The consultation process ended on September 30, 1987.

Of the 478 CPB qualified television and radio stations in FY 1987, 145 radio stations and 98 television stations representing 50% of the system responded to the discussion and options paper.

To make its recommendations, Management considered not only written responses but also verbal responses received from grantees throughout the nine-month consultation process.

HOW MANY RADIO AND TELEVISION STATIONS ARE CPB QUALIFIED?

There are 300 public radio and 186 public television stations that are CPB qualified.

WHY DOES CPB USE ELIGIBILITY CRITERIA?

CPB is responsible for developing criteria for stations to which it provides funding. The purpose of the criteria is to help and encourage the stations to reach, maintain, and improve a high level of technical and professional quality. Because the stations must look to their local communities for the bulk of their support, it is important that they provide a consistent and high level of technical and professional quality to those communities.

HOW ARE THE CRITERIA DEVELOPED?

The criteria are developed in consultation with the stations and are reviewed for revisions each year in consultation with the stations. In addition to consulting with stations, CPB consults with organizations that represent stations like, NAPTS, PBS, NFCB, and the regional membership organizations (EEN, CEN, PMN, SECA, APRN, PRIMA, Rocky Mountain, West Coast, and EPR).

Each station and organization is invited to submit issues for full system consultation. Advisory committees are made up of station personnel suggested by regional organizations and representatives from national organizations. Those committees develop options for each issue under Review. The options papers are mailed for advice and comment to each station and to each regional and national representation organization. System comments are taken into consideration by CPB management in formulating new criteria or criteria revisions for recommendation to the CPB Board. The CPB Board makes final decisions on the CSG criteria.

WHO IS INVOLVED IN THE DEVELOPMENT OF THE CRITERIA?

The annual review of the CSG criteria involves all sectors of public broadcasting. Qualified stations and their representation organizations are invited to submit suggestions and comments about the criteria for the annual consultation process called the CSG Review. Comments and suggestions about the criteria are sought from non-CPB qualified stations and their representation organizations like the National Federation of Community Broadcasters (NFCB) and the Alaska Public Radio Network (APRN).

In addition to station personnel, all national public radio representation organizations are invited to sit on the annual CSG Review committee.

NFCB, the major national organization that represents non-CPB qualified stations has been an active participant in the development of the current CSG eligibility criteria. The organization has submitted issues for consideration; it sends representatives to participate in the CSG Review committee meetings; it has advance information about the issues and their impact on the system; and, it has assisted in writing options for full system consideration. To ensure a full discussion of the criteria, CPB sends staff to discuss the program with NFCB member stations at every annual NFCB membership meeting.

IT HAS BEEN SUGGESTED THAT THE FUNDING APPROPRIATED FOR CPB ADMINISTRATION COSTS, TRAINING, RESEARCH AND OTHER PROGRAMS SHOULD BE REDUCED, WHICH WOULD INCREASE THE MONEY AVAILABLE FOR PROGRAMMING. WHAT ARE YOUR VIEWS ON THIS PROPOSAL?

While programming is the heart of public broadcasting it is important to recognize that with programming alone public broadcasting cannot fully achieve the mandate established by Congress. An important part of CPB's mandate is the goal of diversity -- diversity of programming, but also diversity of services and most importantly, diversity of human resources. Accordingly, Congress has specifically tasked CPB with responsibilities broader than just programming. In response to these instructions, CPB has created programs that help minorities and women get a foothold within public broadcasting, programs that collect system data centrally and distribute that information to all stations, large and small, and programs that encourage diversity in programming as well as within the industry itself. In addition, CPB has structured itself as a business-like organization with comprehensive audit, contracting and program selection functions consistent with specific guidance from Congress. We believe that activities are an integral part of the "public broadcasting service" intended by Congress when it created CPB.

Any redirection of resources must take into account the commensurate costs of not pursuing other important, though lower profile, goals. CPB's role is, in part, to address these very questions.

FOR MANY YEARS THE INDEPENDENT PRODUCERS HAVE BEEN RAISING THEIR CONCERNS ABOUT COMPLIANCE WITH THE 1978 LAW. WHY HAVEN'T YOU BEEN ABLE TO RESOLVE THIS ISSUE?

In our opinion, the issue remains unresolved due to our divergent points of view on what constitutes an independent production. The underlying cause of disagreement with independents lies in the role of the executive producer, which independent producers contend somehow removes their "independent" status. CPB's definition, derived following input from various groups within public broadcasting, including independent producers, is based on standard industry practice throughout broadcasting and film production. The role of executive producer on any series is a vital one in that he/she provides continuity, assures the highest standards of journalism excellence and production values, monitors the series budget expenditures, etc. It is a reality of broadcasting just as an editor is a reality of print journalism.

We believe our mandate is to effectively use the public funds to provide high quality television programs which are made available to the American public. To utilize the work of independents effectively, it is necessary that they be carried by the majority of public television stations, scheduled in appropriate time slots, and their availability made known to the audience. Inclusion in an established series is the most effective way of accomplishing this. Individual programs must face the above problems alone each time they are delivered to the system. The cost of dealing with this on a one-time-only basis is far greater than it is for a series, and the potential of getting a new audience each time is far less with individual programs than it is with series which tend to develop a following over a period of time.

While it is true that each major series looks for particular types of programming, e.g., drama, documentary, and performance, there is a tremendous amount of freedom within these groupings for diversity and innovation. They also provide independents with the maximum amount of freedom consistent with good business practice. We do not count productions as independent if the producers feel that their artistic or journalistic independence has been impinged.

It should be noted that the Program Fund will never be able to <u>completely</u> satisfy all independent producers' needs and still meet its mandate to support public television. While there is a great deal of overlap in the needs of public television and the needs of the independent producers, there is a significant area of independent work which is not appropriate for general broadcast, e.g., video art, experimental programs and personal essays. In addition, there are many program needs of public television which cannot be supplied by independent producers; such programs as ongoing evening news and special events coverage. These differences will always be a source of conflict between independents and CPB.

WHAT IS YOUR POSITION ON THE BILL LANGUAGE IN H.R. 4118 CONCERNING INDEPENDENT PRODUCTION?

CPB opposed the language in H.R. 4118 for four reasons:

1. The definition presents a statutory dilemma for CPB. CPB remains required to ensure the prudent use of its money and required to reserve a portion of it for independent producers. If CPB uses the proposed definition for independent producers, CPB would be constrained from exercising the necessary financial oversight to ensure prudent use of these public funds. If CPB uses the necessary fiscal oversight, then the productions it funds cannot be considered independent, frustrating its other obligations. In addition, under the proposed definition, independent producers would face no accountability whatsoever for the use of public funds. In effect, the language could be interpreted to create an open-ended subsidy of producers with no responsibility to produce programming that would serve the American people. This definition creates an unworkable and unnecessary problem for CPB, that can be resolved by relying on CPB's discretion and judgement as reviewed by Congress.

2. The language would create a precedent for other groups to demand similar preferential treatment. By forcing CPB to fund programs according to the nature of the producer rather than the content and quality of the program, Congress is in actuality staking out a particular pool of programming funds for a particular group of recipients. Other groups, such as Hispanics and/or other minorities, small public television stations, education-only stations, etc., will realize the precedent that has been created and demand their own quota. Instead of resolving a problem by defining independents, Congress will have created many new ones.

3. Defining independents for funding purposes further reduces CPB's discretionary authority to channel funding into programs that meet pressing social needs. For example, if CPB were bound by a rigid definition to distribute a substantial portion of its scarce program funds to independent producers, and independent producers were not well-suited to produce a particular type of program -- such as special events news coverage -- CPB would have less flexibility to respond to that programming need. The Act mandates CPB to meet the needs of the American people through the best and most efficient means. Burdening CPB's funding decisions with a rigid definition of a favored class of producer reduces CPB's ability to meet that mandate.

4. The proposed definition does not recognize the role of the executive producers in the production of programming -- a reality of broadcasting consistent with standard industry practice. As stated earlier, CPB believes that to utilize the work of independents effectively, it is necessary that they be carried by the majority of public television

stations, scheduled in appropriate time slots, and their availability made known to the audience. Inclusion in an established series is the most effective way to accomplish this.

HOW DOES YOUR ORGANIZATION DEFINE AN INDEPENDENT PRODUCTION?

As stated above, CPB's definition of an independent production was devised following extensive input from various groups of individuals representing public broadcasting, including many of the various regional divisions of independent producers that now comprise the National Coalition of Independent Public Broadcasting Producers. That definition is attached for your review (Attachment 3).

WHAT PERCENTAGE OF THE PROGRAMS FUNDED BY CPB ARE PRODUCED BY INDEPENDENT PRODUCERS?

Since the Program Fund's inception, approximately 40% to 45% of its funds have been allocated to independent production.

HAS FRONTLINE ALWAYS BEEN CATEGORIZED AS AN INDEPENDENT PRODUCTION?

CPB has never referred to any of its major series like Frontline as an independent production. However, many of the individual programs funded within the series each season are independent productions and have been categorized as such in Program Fund report of expenditures. This information is obtained through in-depth analyses of financial reports received under the terms of CPB's standard production contract. Consequently, a portion of CPB's commitment to Frontline is attributed to independent production each year.

WHAT PERCENTAGE OF PROGRAMS FUNDED BY THE CPB IN 1987 WOULD BE INDEPENDENT UNDER THE DEFINITION SET FORTH IN H.R. 4118?

Fifteen percent.

DOES THAT REPRESENT AN INCREASE OF DECREASE OVER THE PAST 3 YEARS?

Since CPB has been operating under a definition which recognized the work of independent producers operating through the various consortia, this figure obviously represents a decrease.

CAN YOU TELL ME WHAT, IF ANY, PROGRAMS YOU HAVE PRODUCED OR BROADCAST THAT ARE AIMED AT GIFTED CHILDREN?

None. During the course of its history, the Program Fund has not been approached by a producer who proposed a program aimed at gifted children.

At this time, CPB is not funding any nationally distributed public radio programs targeted to children. From 1985 through 1987, it was the major funder of an experimental children's program entitled Kids America.

Kids America was produced and locally broadcast by WNYC, New York as Small Things Considered in 1984-1985 with no CPB investment. WNYC proposed that CPB assisted them in offering the series nationally for one year. CPB agreed. Further, given CPB's professional judgement of the series' unique qualities, CPB believed that more than one year was needed to test fully Kids America's potential. CPB therefore contracted for a second year which concluded September 30, 1987. CPB provided about 60 percent of the funding.

Despite WNYC's best marketing efforts over those two years and additional CPB financial support for this purpose, station carriage grew only from 8 to 25 stations in a nationwide system of 300 full service public radio stations. Consequently, much of the country did not have the benefit of the program even for a short time. The potential audience was limited because most stations in most markets declined to carry Kids America. All of us would have been delighted if more stations had joined with WNYC and CPB in this experiment.

Moreover, some of the carrying stations did not use the series in a manner which permitted full realization of Kids America's participatory educational nature and format. For instance, the Boston station used only two-thirds of the available 90-minutes per day. The Chicago station carried the five day per week series only twice per week and then not live. The San Francisco station carried the series once per week and then on a tape delay basis. Other stations, e.g., Washington, D.C., considering carriage, were interested in only one program per week, again tape delayed. In other words, youngsters in markets where the series was currently or soon to be available did not have or were not likely to have the full benefit of and access to the program. CPB's judgement was that this situation was not apt to improve in the foreseeable future regardless of our funding decision or the strength of WYNC's marketing.

At the outset of Kids America experiment, CPB has some broad children's radio programming questions. Why is children's programming so successful on television and not on radio? Why is there virtually no children's programming on radio, commercial or noncommercial? Why don't the major national audience research services measure radio audience under the age of 12? Has radio evolved to the point where it is only an adult medium? Can radio serve a children audience with national

programming? What role can CPB play in answering these questions and, where appropriate, supporting national children's programming? We explored answers to some of these with our initial funding of Kids America. While CPB now has some partial answers, the questions still remain.

HAVE YOU CONSIDERED THE POSSIBILITY OF USING NEW TECHNOLOGIES SUCH AS SUBCARRIER AUTHORIZATIONS, TELETEXT OR OTHER VERTICAL BLANKING SERVICES TO SERVE THE NEEDS OF GIFTED CHILDREN?

We are constantly evaluating new technologies to increase our services to all segments of the population, including gifted children.

WHAT PROGRAMS ARE CPB PROPOSING TO SUPPORT IN THE COMING YEARS THAT ADDRESS THE CONCERNS OF HISPANICS?

IN REGARD TO TELEVISION...

CPB is supporting several projects which are currently in production. In addition, the staff is constantly undertaking outreach efforts to try to increase the number of Hispanic projects submitted through its various proposal processes. We anticipate an increase in competitive ideas in future years as a result of these efforts.

ARE ANY OF THOSE PROGRAMS BROADCAST IN SPANISH?

Yes, one or two of the producers now in production will also produce a Spanish version of the program. Others, while predominantly English, contain some Spanish language which will be subtitled for English-speaking audiences.

DO THOSE PROGRAMS PROVIDE NEWS AND INFORMATION ON NATIONAL ISSUES OF CONCERN TO HISPANICS?

Yes, in all cases.

IN REGARD TO RADIO...

Through CPB's Radio Program Fund, CPB has provided the seed funding in 1985 for the creation of the Latin American News Service (LANS) by Etcom, Inc. in El Paso, TX. As a daily service, LANS focuses exclusively on Latin American affairs providing programs in Spanish and English. CPB has provided funds to permit its continuation through 1988.

CPB is also funding five one hour programs entitled Music from Latin America hosted by Texas conductor Eduardo Mata. English and Spanish versions will be produced by KERA FM in Dallas, TX.

In 1987, CPB provided funds to Radio Bilingue, Inc., Fresno, CA, to produce six one hour nationally distributed discussion/debates on the Immigration Reform and Control Act of 1986, including three Spanish language programs directed to the immigrant and refugee communities throughout the country. An additional eight one hour special will be produced in 1988. Half of these will be in Spanish.

In FY 1987, CPB provided the seed money for Crossroads, a nationally distributed multicultural news feature magazine series produced by Elizabeth Perez-Luna. Continuation funding has been provided to ensure production through mid-1989.

CPB's FY 1988 investments in these projects account for about 20 percent of the Radio Program Fund's $3.3 million budget.

In addition, CPB is investing $425,000 in special programming at National Public Radio. An experimental project, the goal is to mount and execute several program-oriented outreach campaigns addressing major social issues and problems of common concern facing the country which are also of particular concern to racial and ethnic minority audiences.

The CPB funded series Crossroads, listed above, regularly provides news and information on national issues of concern to Hispanics. Illustrative are the following program segments from December 1987 editions of the weekly half-hour series Crossroads:

- A report on the declining ethnic diversity of a Latino New York City neighborhood. Gentrification and real estate speculation has driven housing prices up and working classes out. (December 4)

- Performance artist Guillermo Gomez-Penna on a recent collaboration of American and Mexican artists who are exploring through their art the future of the border. (December 11)

- Commentator Rudolfo Anaya spoke on keeping alive the new Mexican, Hispanic and Indian Christmas tradition of the "Farolitos." (December 18)

- A report on "The Children's Book Press" of California. The publishing company specializes in printing bilingual books for children who live in modern America's multicultural society. (December 17)

- A report from Chicago on the changing political landscape for newly empowered Latinos since the unexpected death of Mayor Harold Washington. (December 18)

- A report on the efforts of rural school systems in the state of Washington to insure quality education for migrant farmworker children. (December 25)

IT APPEARS THAT MOST OF THE INNOVATION IN INSTRUCTIONAL PROGRAMMING IS OCCURRING AT THE STATE LEVEL, BUT IT IS CONCENTRATED IN A FEW STATES. WHAT IS BEING DONE TO EXPAND SOME OF THE MORE SUCCESSFUL PROGRAMS ON A NATIONWIDE BASIS?

Public television and affiliated organizations are struggling now to expand their efforts on a nationwide basis. The Organization of State Broadcasting Executives (OSBE) consisting of the state public television networks, is assessing areas of school need to identify common needs which they can address together.

The Public Broadcasting Service (PBS), as a result of a system-wide planning effort funded by CPB, will become active in providing a clearinghouse function for the instructional television community to share information.

As you know, public television operates through its satellite system what some have described as the world's largest "Star School," the National Instructional Satellite Service which annually provides 100 instructional series to state and local educational authorities which provide service to about 24 million school children. That service operated by Southern Educational Communications Association (SECA) is an important part of a nationwide program selection and distribution process beginning with FIRST VIEW, managed by the Pacific Mountain Network at which new instructional program offerings are previewed in a process where state and local education authorities further winnow their choices via satellite through SatScreen, managed by the Central Educational Network. Last year, more than 100,000 school personnel participated in SatScreen to determine which instructional programs would be offered through public television stations for local school use. Public television operates perhaps the most broadly based curriculum adoption process in the world.

In short, a great deal is being done to accelerate cooperation and to improve and to share programs and information about successes. However, a great deal more must be done. Public television needs the help of Congress and federal and state education authorities to the educational progress of the nation accelerating cooperation and to improve. Without the active support and encouragement of state and federal education authorities the promise of television and other technology will again be deferred, if not ignored.

DOES CPB HAVE A POLICY CONCERNING EXCLUSIVE RIGHTS TO EDUCATIONAL AND CULTURAL PROGRAMMING?

Yes. When CPB puts money into TV program production or acquisition, its standard contract requires that the program be made available exclusively for public broadcasting for at least four releases in three years. This exclusive right includes the right to create closed captioning of the program for the hearing impaired, the right of

educational institutions to record the program off the air and use it for educational purposes for seven days after the recording, and the right to transmit the program on a noncommercial basis on cable systems or commercial broadcasting stations in areas that are unserved by any public broadcasting station.

For radio productions and acquisitions, CPB requires all programs it funds to be available to all noncommercial radio stations for a minimum of four releases in three years, and often for more releases for certain types of programs. Because noncommercial radio coverage is not as widespread as public television, and because radio stations are often more format based than program based, CPB does not limit distribution solely to noncommercial stations, although those are the only rights it secures. Particularly for minority programs, CPB has been willing to allow commercial radio stations to carry these programs on a noncommercial basis so that they reach their intended audience.

DOES CPB HAVE A POLICY ABOUT COPRODUCTIONS BETWEEN PBS AND NPR AND COMMERCIAL BROADCASTERS?

No, not specifically, although CPB's policy concerning public broadcasting's exclusive rights to CPB-funded programs applies to coproductions with commercial entities. It should be noted that PBS does not produce programs; it acquires and distributes programs for the public television system, but, like CPB, it has no production authority or capability. NPR, on the other hand, not only acquires and distributes programs to the public radio system; it also produces such award-winning programs as Morning Edition and All Things Considered. If a program producer seeks CPB funding, whether or not they are working in a coproduction arrangement with a commercial broadcaster or other commercial entity, CPB's standard funding contract requires that the program be made available exclusively for public broadcasting for a three year period. There have been two kinds of modifications to this exclusive rights arrangement, both of which have occurred in the public television context.

First, some CPB-funded programs have been released first in movie theatres, before public broadcasting's exclusive rights period began. Such theatre distribution has proven to enhance viewers' interest in seeing the program on public television stations. Second, some CPB-funded programs that were coproduced with commercial entities have been made available exclusively for public broadcasting for the first airing, and then for distribution on cable systems or commercial television stations.

SHOULD PUBLIC BROADCASTING CONTINUE TO INVOLVE ITSELF IN THE DEVELOPMENT OF NEW TECHNOLOGIES?

CPB's mission is to reach audiences with programming that is distinguished by its distinctiveness and its impact, particularly in educational terms. CPB believes that technology offers opportunities to enhance the impact of public broadcasting's programming in video or audio quality or finding new approaches to serve audiences, as with captioning, interactive video systems for learning, teletext or SCA services for the blind.

CPB believes public broadcasting should set the standard for all broadcasters and educators. Nonetheless, since 1984 CPB has been able to budget, on average, only $20,000 per year on the development and demonstration of new technologies and has budgeted no activity for FY 1989 due to financial constraints.

ATTACHMENT ONE

ARNOLD TORRES RECOMMENDATIONS:

1. **Mandate the creation of a Hispanic Advisory Committee to work with CPB and NPR on developing Spanish language programming.**

2. **Add language to the reauthorization of CPB directing CPB to provide Spanish language programming.**

It is not clear that mandating the funding and production of Spanish language programming, or even the creation of an advisory committee, will yield the expected results. Is CPB's and public radio's goal to provide Spanish-language programming or to serve Hispanics? They are not one and the same as noted by the Latinos in Public Telecommunications in its business plan (Page 31):

> This...analysis will be particularly useful in assessing the question of Spanish vs. English programming. An example might be that programming targeted at the Hispanic elderly would probably best be produced in Spanish while programming targeted at young adults in the Hispanic community would probably miss its target if produced in Spanish.

It is also a distinction observed by those actively serving Hispanics via public radio. KXCR FM, El Paso, TX, licensed to and managed by Hispanics, reported to the 1987 Denver Hispanic Media Conference that its program schedule contained no Spanish language programming though its audience is 62 percent Hispanic. Of course, other stations, Hispanic and non-Hispanic controlled and managed, broadcast Spanish language programming.

One 1986 research report, addressing the issue from a commercial radio perspective noted that while Houston, TX has full time Spanish language stations, 77 percent of Hispanics listened to all English stations.

Given these different approaches and the limited funding available to CPB, the radio program fund assesses proposals for national radio program production funding on their own merit. In FY 1988, this assessment yielded four of 16 funded projects with Spanish language components. CPB believes that the remaining projects are likely to be of interest and service to Hispanics as well.

3. **Add language directing CPB to develop a comprehensive plan for assessing the TV and radio needs of Hispanics and how CPB would respond to such needs. This plan should also include a detailed affirmative action plan for hiring Hispanics.**

CPB believes its role is to bring to all Americans programming which reflects the diversity of the nation. This means funding programming that reflects many different viewpoints, but not developing programming designed exclusively for any individual group.

Accordingly, CPB funds audio and video programming by Hispanic producers and with content that relates to an Hispanic perspective. This is designed to share the Hispanic point of view with all Americans.

Programming specifically for Hispanic audiences is no more appropriate than programming aimed at any other specific group. Furthermore, research indicates that viewers and listeners do not use television or radio in any way that is related to their ethnic or racial characteristics; if any characteristics explain how groups use the media, it is their socioeconomic characteristics. Even if one were to say that the research is misleading, since language binds together the Hispanic community, public broadcasting would face a discussion concerning Spanish versus English which is still unresolved in the Hispanic community itself.

In fact, CPB has already funded a comprehensive plan to address opportunities for Hispanic radio service and has already implemented the elements of that plan dealing with audience research. On a regular basis, local television stations serving large Hispanic populations conduct audience research to determine how to serve their audiences best. A needs assessment is neither appropriate nor necessary.

ATTACHMENT TWO

CORPORATION FOR PUBLIC BROADCASTING

CPB Request vs. S.2114/HR.4118 Levels

Summary of Amounts Available or Proposed for Obligation by Program for FY 1991 - FY 1993
($ in millions, rounded to nearest $100,000)

	FY 1991			FY 1992			FY 1993		
	CPB's Request	Proposed Reduction	S. 2114 HR. 4118	CPB's Request	Proposed Reduction	S. 2114 HR. 4118	CPB's Request	Proposed Reduction	S. 2114 HR. 4118
REVENUE									
Operating Appropriations	$395.0	-$91.0	$304.0	$411.0	-$57.0	$354.0	$427.0	-$23.0	$404.0
Capital Appropriations	$200.0	$0.0	$200.0	n/a	n/a	n/a	n/a	n/a	n/a
Interest Income	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-
Refunds, Other	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-
	$595.0	-$91.0	$504.0	$411.0	-$57.0	$354.0	$427.0	-$23.0	$404.0
EXPENSES									
Funds Allocated to Television									
Community Service Grants	$200.0	-$46.1	$153.9	$208.1	-$29.0	$179.2	$216.2	-$11.7	$204.5
Program Production	$66.7	-$15.4	$51.3	$69.4	-$9.7	$59.7	$72.0	-$3.9	$68.2
	$266.6	-$61.4	$205.1	$277.5	-$38.6	$239.0	$288.2	-$15.5	$272.6
Funds Allocated to Radio									
Community Service Grants	$63.1	-$14.5	$48.6	$65.7	-$9.1	$56.6	$68.2	-$3.7	$64.5
National Program Production Grants	$19.6	-$4.5	$15.1	$20.4	-$2.8	$17.6	$21.2	-$1.1	$20.0
CPB Radio Program Fund	$6.2	-$1.4	$4.8	$6.5	-$0.9	$5.6	$6.7	-$0.3	$6.3
	$88.9	-$20.4	$68.4	$92.6	-$12.8	$79.8	$96.1	-$5.2	$90.9
Satellite System Replacement	$200.0	$0.0	$200.0	n/a	n/a	n/a	n/a	n/a	n/a
Other Direct Support a/	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-
Other System Suport b/	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-
Corporate Operations c/	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-
Corporate Contingency	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-	-TBD-
Subtotal	$239.5	-$9.1	$230.4	$40.9	-$5.7	$35.4	$42.7	-$2.3	$40.5
TOTAL CPB EXPENSES	$595.0	-$91.0	$504.0	$411.0	-$57.0	$354.0	$427.0	-$23.0	$404.0

Note: Detail may not add due to rounding.

a/ Satellite Interconnection, Music Royalties, other Capital Assistance, Audience Development Etc.

b/ Station Support Activities, Instructional Educational Support, Training Programs, Support for Underrepresentated Groups Etc.

c/ Salaries, Benefits, Rent and other Logistical Expenses.

Attachment Three

CPB's Definition of an Independent Producer

CPB monitors its own effectiveness in pursuing diverse sources of programming, including independent productions. In measuring its performance, CPB uses the following criteria for judging an independent production:

A. The producer has not affiliation with a public or commercial broadcasting license which could exercise content or fiscal control over the project; and

B. The producer has control over the budget and content of the productions, subject to oversight by CPB or its designee to satisfy the Corporation's mandate as steward of federal funds, and to ensure that the production is consistent with the original proposal and meets the system's journalistic, artistic, and technical standard.

By the first criterion CPB intends that with regard to the production under consideration, the individual or individuals not be full, part-time or per diem employees or free-lance producers of public or commercial television licenses. Many independent producers may work either full or part-time for broadcast licenses as a means of supporting themselves but, to the extent that the employer exercises no control over the production being funded, CPB would exempt these relationships. This definition should not preclude independents working through public television stations as long as it is their choice and they maintain the necessary control over the production.

By the second criterion, CPB intends to provide the maximum amount of freedom to the independent producer consistent with good business practice. CPB's designee, besides the Program Fund, could be PBS in the case of journalistic standards, an executive producer of one of the consortia, or an executive producer hired by CPB for a specific producer.

Fiscal control is exercised to ensure that the full amount of money in the budget is justified, that it is spent in accordance with the agreement and for the items indicated in the budget, and that the appropriate rights are secured.

CPB wishes to ensure that the finished production is suitable for air and that it conforms to the description in the contract. It is not CPB's intent to dictate the content or approach of a production but to ensure that the final work meets public broadcasting standards. Some independent producer readily accept the guidance of an executive

producer; some will consent to it only in an advisory capacity; and some may reject the idea entirely. Should there be an irreconcilable difference between CPB or its designee and the producer which requires a substantive change in the production, CPB would not consider it an independent production.

CPB developed this definition in draft, then solicited input and opinions from the Association of Independent Video and Filmmakers (AIVF), major public television program series executives, PBS, and the Minority Consortia. Their comments were considered in finalizing the current definition. It should be noted that their comments differed widely and, in many cases, were in conflict. It was CPB's hope to develop a definition which addressed our major concerns, particularly, ensuring basic artistic and editorial freedom for independent producers while providing the oversight necessary to meet our responsibility to Congress and the American people.

QUESTIONS OF SENATOR PACKWOOD AND THE ANSWERS

Mr. Packwood: **I am a supporter of public broadcasting and I would appreciate your assistance in understanding your funding needs. The President's budget proposes to freeze the CPB authorization at $214 million. You have asked for substantially more than that. Can you give me specific reasons why the authorization should be higher than the President's request?**

Mr. Ledwig: CPB was created in 1967 to develop an alternative, public telecommunications service in the United States using as a nucleus the educational television and radio stations then in existence. Financial support for this service would come from a partnership formed by federal, state, local, and private supporters of non-commercial broadcasting. Federal funds would supplement nonfederal funds to reflect the shared responsibilities of the partnership. Federal funds would support production of excellent programming of more than local interest and connect local stations so that they could share their programs with all Americans. In this way, the federal commitment was designed to develop a national asset from local stations.

Current law, in fact, authorizes Congress to appropriate $1 for every $2 in nonfederal revenue; this provision would allow 33.3 percent of public broadcasting revenues to come from federal funds. However, in practice this language has always been constrained by more specific language limiting federal appropriations to levels generally below 20 percent of total system revenue.

In total, during the first 18 years of federal support to public broadcasting, federal funds made up only 17.2 percent of total income, barely half the 1/3 support envisioned by supporters when CPB was created. While growth in nonfederal support from corporations, state and local governments and private citizens has helped make up for the shortage of federal funds, inadequate funding has prevented achievement of all expectations for the type of high quality, alternative public telecommunications service Congress directed CPB to create in 1967. Today, nonfederal supporters provide 85¢ of every dollar of public broadcasting revenue.

In his FY 1989 budget the President is asking these contributors to carry an even greater share of future costs by proposing to freeze federal support at $214 million starting in FY 1988. His proposal abandons the funding partnership and places the entire burden of developing and improving public broadcasting on nonfederal contributors.

The President's proposal is inconsistent with the goals set for CPB by Congress. Therefore, CPB has requested funding for FY 1991 to FY 1993 sufficient to bring federal support for public telecommunications up to a level that would allow public broadcasting to approach, in the 1990's, the level of service intended by Congress when CPB was created in FY 1967.

CPB's FY 1991 request reflects the priorities and opportunities facing American public broadcasting and its audiences in the 1990's. If Congress appropriates the funds

requested, CPB would be able to:

- replace the station interconnection system that will otherwise go dark in 1991,
- continue to help support the operations of approximately 300 television and 320 radio stations in all fifty states, the U.S. Virgin Islands, Puerto Rico, American Samoa, and Guam;
- improve materially the ability of public radio and television to produce and distribute signature American public broadcasting programs that address social, cultural and educational issues of concern to the country today;
- leverage nonfederal financial resources and skills of public broadcasting to help communities use their local public broadcasting stations to address local issues and social problems more effectively;
- expand and enhance public television's ability to serve as a cost-effective educational resource that can be used in the classroom and at home by both children and adults; and
- expand access to locally-based, community focused, public radio so that it is readily available to the widest possible audiences.

CPB believes that public broadcasting is one of the most cost-effective means available today to address major social and cultural issues confronting our country. Public broadcasting reaches into nearly every community in the country [the FY 1991 proposal would move the system closer to total coverage]. It can bring information on AIDS, child abuse, drunk driving, illiteracy, teenage drinking and drug abuse, and a host of other social concerns into private homes and local schools for literally pennies per person. It can bring the best instruction in math, science and other classroom subjects to the poorest inner city or rural schools. It can bring national issues to the attention of local communities, put these issues in perspective for local audiences, and allow those communities to develop their own responses.

This system requires two elements to work: (1) sufficient quantities of the highest quality programming and (2) healthy public broadcasting stations well integrated into their communities throughout the country.

CPB's proposal before this committee would provide sufficient federal funds to assure that these elements are in place in the 1990's. Public broadcasting, drawing on the talents and resources of a national service while remaining firmly based in local communities is the most efficient way to educate and inform all citizens.

Senator INOUYE. I will call on Mr. Christensen.

STATEMENT OF BRUCE CHRISTENSEN, PRESIDENT, PUBLIC BROADCASTING SERVICE

Mr. CHRISTENSEN. Thank you very much, Mr. Chairman. It is a pleasure again to meet with the subcommittee, and we are grateful for all of the work that you and your colleagues have done in looking for and seeking substantial funding for public broadcasting and a stable, continuing source of funds so that we can in fact deliver the services which Mr. Ledwig has outlined for you in his testimony.

My time this morning would be best spent talking about the satellite replacement needs that public television faces in the next two or three years.

20 years ago when the Public Broadcasting Act was passed, four principles were set down as the guiding principles against which to measure the future service that was provided by public broadcasting. The first was universal access to the civilizing, educating experiences of mankind made available to every American.

The second was quality programming that serves the needs of audiences that are mostly ignored by the commercial broadcasters—programming that we do for our children, elderly, education, and the other things that you have heard and seen on public television stations around the country—the programming referred to this morning by Senator Rockefeller.

The third point was an idea or concept that there ought to be diversity of editorial perspective represented in all of the public broadcasting programs that are distributed across the country.

And finally, that the ultimate decision point for these programs to be selected and put in the schedule would rest with the local communities. In other words, local control of the most powerful medium of our age. People in the communities meet together as governing boards, us citizens that know what needs to be done in their community and who can organize the resources of their public broadcasting stations to meet those needs.

We face in at least one of those principles, the principle of universal access, the responsibility to replace our satellite distribution service in 1991. The satellite will run out of fuel at that point in time and will need to be replaced.

Before we had the existing satellite, we used initially, when Senator Hollings and the stations in South Carolina were first put together, what we called a bicycling process, where videotapes and films were simply mailed from one station to another.

In 1968, when the Corporation for Public Broadcasting put together the various networks for distribution of programs, PBS was formed, as was NPR. PBS leased telephone land lines and began to distribute our programs by a single feed across the country.

This meant that those stations that were not in the eastern time zone had to record their programs, if they could, or play them at a time that was essentially inconvenient for their constituencies.

Today we have a satellite system that has four transponders, as Senator Inouye said, and we are able to feed five different time zone feeds across the country for the convenience of our stations, allowing them to play one of those programs live and record the other for release at a later time.

This means that not only is the continental United States served by the satellite service, but also Hawaii and Alaska, by a feed that comes from our headquarters in Washington that is convenient and usefull to their time zone and to their particular needs.

We have been working with CPB and NPR for the last 24 months identifying various options for the satellite replacement. The figures and information about that replacement are attached to my testimony which outlines the range of options that will be provided to our public television stations as they make the decision on what they need and what they will want to replace the existing satellite service.

Our planning includes future technologies, including high definition television, digital technologies which will improve the audio as well as the video signals that we will be providing, and we are looking forward to providing those services in the same state of the art process that we have used since the beginning of the satellite development in 1978.

The satellite for American public broadcasting is really the heart that pumps the programs across this country. It delivers those programs in a way that is useful and productive for our stations to use in serving their local communities.

The satellite interconnection system really makes of the 327 local stations around the country one national institution. We are grateful to see in Senate Bill 2114 the authorization for the satellite replacement, and we appreciate all that this committee continues to do for public broadcasting.

Thank you very much.

[The statement and questions and answers follow:]

STATEMENT OF BRUCE L. CHRISTENSEN, PRESIDENT, PUBLIC BROADCASTING SERVICE

This nation owes an enormous debt to the tireless men and women who were determined that the public's airwaves should be used for more than commerce. They joined forces with policymakers of great vision to create the radio and television institutions that today comprise public broadcasting. Armed with the proposition that universal access to the civilizing, educating experiences of mankind serves the national interest, they fought for and eventually won the right to make their dream a reality.

Those who dreamed such dreams believed the highest use of the airwaves would be achieved if art, drama, history, music, philosophy, science, news, and political analysis could be part of every citizen's national birthright. By the flick of a switch, public television would breach the barricades of privilege and geography that heretofore had limited access to the richest treasures of civilization to those in our major urban centers and the well-to-do.

"Public radio and television at their best represent a democratic society's commitment to extend to all the people cherished experience that would otherwise be known only to the few," said Michael Rice in his monograph entitled, Public Television: Issues of Purpose and Governance.

We invite the Congress to look back over public television's twenty years of service to America and to share in the great sense of pride we feel in having provided thousands of hours of programs that have educated, entertained, and inspired millions to excellence and achievement. Yet despite these enormous strides, we have a long way still to travel.

TWENTY YEARS OF ACHIEVEMENT

During the last 20 years, national public broadcasting policy has been shaped by Congressional efforts to assure that the American people have universal access to quality programming that reflects a diversity of editorial perspectives, serves the needs of audiences mostly ignored by the commercial marketplace, and is grounded on the bedrock of community responsibility and control. These principles, which are equally valid today, provide the yardstick by which public television's progress must be measured.

PUBLIC TELEVISION'S COMMITMENT TO QUALITY PROGRAMS

As a noncommercial broadcast service, public television is not constrained by the commercial necessity of delivering mass audiences to advertisers. Therefore, public television's special mission has been to provide the American public with programs whose value is measured not in financial terms but in terms of service to the community, artistic and creative excellence, educational value, and responsiveness to special audience needs. Although public television has sometimes fallen short of these goals, as any pioneering effort would, some programming achievements have surpassed our greatest expectations. Today, America's public television is the benchmark for programs of enduring value and for which there is special need.

For our children: Sesame Street, Mr. Rogers' Neighborhood, 3-2-1 Contact, The Electric Company, Wonderworks, Square One TV, Degrassi Junior High, and Reading Rainbow.

For students and learners of all ages, from preschool through college, at home and in the workplace: educational and instructional television services, PBS's Adult Learning Service, and business training through the National Narrowcast Service. Each year more than 18.5 million children in schools across the country watch in-

structional programs brought to them by their local public television station on every subject imaginable. This fall, PBS's Adult Learning Service, which offers telecourse through colleges and universities nationwide, will celebrate the enrollment of its millionth student since its inception just six years ago.

For thoughtful, fair and balanced presentations of important issues: The MacNeil/Lehrer Newshour (the first and only national early-evening news hour), Frontline, Washington Week in Review, Firing Line, Tony Brown's Journal, Adam Smith's Money World, Wall Street Week, and American Interests.

For the best of America's artists and the arts: American Playhouse, Great Performances, Live from Lincoln Center, Live from the Met, Dance in America, In Performance at the White House, Austin City Limits, and American Masters.

For regularly-scheduled programs about science, nature and technology: Nova, Nature, The National Geographic Specials, Innovation, Discover: The World of Science, Smithsonian World, Newton's Apple, and Wild America.

For community service "outreach" projects—the union of television programming and coordinated nationwide community action to combat social problems: The Chemical People, "Generation at Risk," Child Sexual Abuse: What Your Children Should Know, "Breathing Easy," "Drink, Drank, Drunk," and PLUS, (Project Literacy U.S.)

Constrained by limited finances, public television has treated what some would deem severe limitations as challenges. Public television has ventured to explore and nurture the new and unusual, to develop new program services and formats, and to be provocative in execution as well as in substance. Public television has contributed to the development of new program forms in several ways:

The MacNeil Lehrer Report demonstrated the appeal of in-depth examination of current issues and became the template for PBS's Newshour and ABC's "Nightline."

The Forsyte Saga premiered the television mini-series format, which is now regular fare on commercial and noncommercial television.

The Public Broadcasting Laboratory, seen on public television in the late 1960s, was the precursor of CBS's "60 Minutes."

Wall $treet Week With Louis Rukeyser proved that the public has a strong interest in long-form economic and business reporting on television.

DIVERSITY OF EDITORIAL PERSPECTIVES

Public television programs differ not only in subjects and formats but in editorial perspectives. Public television fosters editorial diversity by presenting:

Major series combining scholarship and a personal perspective: Carl Sagan's COSMOS, Abba Eban's Heritage: Civilization and the Jews, The Story of English with Robert MacNeil, and A Walk Through the 20th Century with Bill Moyers.

Handcrafted programs from America's independent producers, both stand-alone specials such as Huey Long, Before Stonewall, Witness to Apartheid and Remembering the Bomb, and independently-produced series like Eyes on the Prize and The Ring of Truth.

Unique programming for special audiences, including productions celebrating the heritage of the nation's black, Hispanic, Asian, and Native American communities, such as I Remember Harlem, Corridos, Silk Screen, and Make Prayers to the Raven.

Regularly-scheduled public affairs documentaries: public television is home to Frontline, television's only weekly prime-time documentary series, and to dozens of single and limited-episode documentaries.

Programs about global issues and cultures: in 1987, such programs included The Human Face of the Pacific, One Village in China, South Americn Journey, The First Eden, Frontline: "Apartheid Specials," Only One Earth, and Oil.

Government at work: Coverage of the Iran/Contra hearings as well as the Rehnquist and Bork hearings, as well as regular coverage of the proceedings of dozens of state and local bodies.

Public television believes that a diversity in program producers assures that no single point of view can dominate. Towards this end, PBS distributes programs from a broad range of producers. In Fiscal Year 1986, these producers included 159 independent American producers and 35 foreign producers, as well as a diverse group of 43 public television stations ranging from WNET New York and WGBH Boston, two of the largest producing stations in the system, to stations in Boise, Idaho; Provo, Utah; Corpus Christi, Texas; Jacksonville, Florida; Huntington, West Virginia; and Rochester, New York.

INDEPENDENT PRODUCERS AND PBS

According to preliminary data, American independent producers in 1987 accounted for 497 original broadcast hours in the PBS schedule, or 29.2% of the total. Although this statistic represents a substantial commitment to the work of independent producers, it doesn't convey the magnitude of PBS's efforts on their behalf.

The PBS staff devotes untold hours to working with independents—both those who are ultimately successful in producing a program for PBS distribution and those who are not. PBS staff provide independent producers with information, advice, contacts, and other assistance in seeking production funding. They also "matchmake" between producers with good ideas, proposals, rough cuts, and completed programs and the executive producers of regularly-scheduled series such as Frontline, American Playhouse, Great Performances, and Wonderworks.

PBS has also encouraged the creation of series designed specifically to showcase independent works of a similar genre. These series include: The American Documentary (premiering this summer), Summer Night Music (also premiering this summer), American Masters, and Alive From Off Center.

Alive From Off Center illustrates well PBS's commitment to independent work. Throughout the late 1970's and early 1980's, PBS received an increasing number of interesting pieces from independent video artists—pieces that PBS believed deserved national exposure but that it found hard to schedule because they did not conform to standard program lengths. Searching for a way to accommodate these independent productions, the PBS Programming Department approached the Walker Art Center in Minneapolis with the idea of developing a series dedicated to these programs. The Walker Art Center in turn worked with public television station KTCA to produce Alive From Off Center.

Although PBS's primary role is that of a program distributor rather than funder, PBS does all that is within its power to assure that a deserving program—whether from an independent or station producer—does not fail for lack of funding. PBS administers the distribution of several small program funds, the largest of which is the Program Development Fund. PBS's funding decisions are based on the anticipated quality of the program and its suitability for the national program schedule rather than on the type of producer.

PBS's track record in disbursing money from its program funds confirms that independents have fared well. Out of the 79 grants made from the Program Development Fund since its creation in 1983, grants to independent producers represent almost half—$6.4 million out of a total $14.2 million—of the money awarded. (Note: 25 grants totaling $3.9 million were made to independent producers and 14 grants totaling $2.4 million were made to independents working with public television stations.)

PBS is also responsible for organizing the Station Program Cooperative (SPC), through which public television stations collectively select and fund a substantial part of the PBS National Program Service by apportioning production costs among the stations electing to purchase each program. PBS assures that the SPC is operated in a fair and open manner so that any producer, whether employed by a public station or operating independently, has an equal opportunity to obtain funding for its project.

COMMUNITY RESPONSIBILITY AND CONTROL

At a time when the locally-owned, locally-operated, locally-accountable, and locally-responsible medium of communications has become an endangered species, this country's 327 public television stations remain uniquely local institutions. In many communities, public television stations are the only ones left that are owned by people living in those communities. For example, the only locally-owned television station in Indianapolis is public television station WFYI.

Absentee owners, obliged by the imperatives of the marketplace to pursue the maximum rate of return on their investment, cannot be expected to be as attuned to local needs, or as willing to tailor their services accordingly, as local public television stations can be. Public television stations are not passive local outlets for packaged satellite services and advertising messages originated hundreds or thousands of miles away; they are nonprofit, public service institutions with their roots in the community and dedicated to its service.

Twenty years ago, few public television stations had the professional and financial means to mount significant programs addressing community problems and interests, except on an occasional basis. Today, creative and professional excellence is the rule rather than the exception, and public television stations serve important local needs with community outreach, community issue, and community service programs. One

example is the "Working Channel," a 24-hour-a-day job information service, developed by WTVS to serve the needs of the unemployed in the Detroit area.

UNIVERSAL ACCESS

Not all of public television's innovative work occurs in front of the cameras. Behind the scenes, our engineers have been working on leading-edge technology to make public television accessible to more Americans. In 1978, PBS began operating American television's first satellite program distribution system. Earlier in the decade, PBS spearheaded the development of closed captioning for the hearing-impaired. The PBS closed-captioning system now serves hundreds of thousands of viewers, and is the television industry standard. Our engineers have also made major strides in improving the efficiency of UHF transmitters, so they require significantly less electricity to maintain the same broadcast coverage.

Public television has pioneered enhanced uses of the broadcast spectrum. PBS created the first technology to distribute digital audio by satellite. In 1984, public television station WTTW in Chicago became the first in the nation to offer direct stereo television broadcasts. PBS engineers have also created the technology for high-speed data transmission via satellite and local broadcast signals to personal and business computers and printers.

I think you will agree that this is an unparalleled record of commitment to quality and service for the American public. And apparently viewers from Bethel, Alaska to Boston, Massachusetts agree. In 1966, the year prior to the First Public Broadcasting Act, educational television was watched by 14 million people per week. Today, public television is viewed by nearly 100 million people every week.

Results of a nationwide survey conducted by Television Audience Assessment, Inc. in spring 1987 show that viewers rate PBS programs highest in quality. When asked to rate television programs in terms of appeal, impact, and whether they learned something, viewers ranked PBS programs above commercial network and syndicated fare.

In 1974, when PBS began tracking public donations to local stations, public television had under one million members contributing less than $22 million to their local stations. Last year, 4.7 million families and individuals voluntarily gave more than $230 million.

This strong growth in viewer support has been mirrored over the years by increased support from federal and state governments and the business community. The Corporation for Public Broadcasting's first appropriation was $5 million; its most recent is $232.6 million. Support for public television from state governments has jumped from $57.9 million in 1973 to $195 million in 1986. Business support has grown from $9.3 million in 1973 to $139 million in 1986.

With this past as our prologue, what remains to be done to assure that public television continues not merely to deliver the quality of service it has already achieved but to fulfill the highest potential of the medium to educate, enlighten, enrich, and entertain?

THE DISTANCE LEFT TO TRAVEL—WHAT IS NEEDED FOR THE FUTURE

At the threshold of the 1990's, public television has demonstrated the ability and commitment to enhance the quality of life in the United States through the use of telecommunications for broad educational, informational, and cultural purposes. The potential is unique. Public broadcasting is the only nationwide medium of communications organized for public service rather than private interest. It is the only medium dedicated to education rather than entertainment. Alone among the mass media, its roots and its organizational base are in the educational community rather than in the profit sector. Alone among our educational institutions, it has the capacity to reach vitrually every citizen at home, in the workplace, or at school at any hour of the day.

The principal issues that must be addressed if the American people are to receive the full benefits of public television's unique potential are 1) the need for reliable and adequate long-term funding and 2) the need to assure continued universal availability of public television service, both by replacement of its satellite system and by assuring public access to public television service via new communications technologies.

ASSURING RELIABLE AND ADEQUATE LONG-TERM FUNDING

The single most important need in public television today is for reliable and adequate long-term funding. This need is not new. In 1967, when the Carnegie Commis-

sion concluded its study and recommended federal support for public broadcasting, its report stressed the importance of adequate long-term funding if public broadcasting were ever to be equipped to fulfill its lofty mission. Yet in the 20 years since that report, this goal has still eluded us.

Without adequate long-term funding, public television will never be able to close the gap between its present achievements and its future potential. Adequate funding remains the key to producing quality programs. Without it, public television will continue to have shining moments, but it will be difficult to sustain its programming excellence, increase its editorial diversity, expand the audiences it serves, or remain responsive to unique local needs by providing local program services, as mandated by Congress.

Adequate funding is also the key to preserving public television's noncommercial character. The constant financial pressures and uncertainty about future funding have forced public television stations to seek new and creative ways of generating revenue, such as "enhanced underwriting." Only too often, those new solutions to the age-old problem are at best expedient solutions to the fundamental dilemma, leaving public television stations in the awkward position of being "a little bit commercial." For in the absence of adequate, stable funding, there is an inevitable pressure to resort to the mechanisms of the marketplace to secure the scarce funds so desperately needed for our programming. Yet, this is not a workable solution for an educational and cultural enterprise like public television, whose value to society is not measured in marketplace terms. Indeed, in the history of Western civilization, no such enterprise has ever flourished without state support.

Adequate long-term funding is also one of the most effective safeguards of editorial diversity on public television. Without it, there is always the danger that public television stations and producers, desperate for funding, may be tempted to fashion their programs to appeal to the corporate or governmental entity that controls the purse-strings, especially when the only alternative is the certain death of a potentially valuable program. Greater financial stability would alleviate these pressures and eliminate the uncertainty of the annual appropriations process, which tends to foster editorial and operational instability.

Adequate funding is the key to removing another obstacle to universal public television service. Limited resources have meant little to spare for promotion and advertising of public television programs. Nationwide availability of public television loses much of its potential public benefit if viewers lack the information needed to make them aware of programs they would like to watch. As the video marketplace expands, confronting viewers with a bewildering array of viewing options, program promotion becomes even more important.

As new communications technologies emerge, adequate funding will be critical if public television is to take advantage of those technologies to better serve the American people. As broadcast technology becomes only one of many ways to deliver programs, public television needs adequate funding to acquire the audio-visual, home video, Instructional Television Fixed Service, and other rights required to extend the visibility and usefulness of public television programs to students at school, families at home, and adult learners at their places of work.

In sum, public television cannot flourish if left to depend on charity. Although public television should never be wholly dependent on any single funding source, whether private or governmental, adequate long-term federal funding would go a long way towards enabling public television to provide, on a consistent basis, the full range and quality of services of which it is capable. The Public Broadcasting Financing Act of 1975 established the principle that federal support would be premised upon a demonstration of public and local support. That mechanism now authorizes matching funds at the rate of $1.00 for every $2.00 raised by public broadcasting. The viewers, the states, and the localities have more than kept their part of the bargain: if that match were fully in effect today, the federal appropriation for public broadcasting would be close to $500 million, which would have a dramatic effect on the extension and improvement of public television services. Such a mechanism would have provided the kind of stability desired, as well as direct incentives for increased public support.

ASSURING CONTINUED UNIVERSAL AVAILABILITY OF PUBLIC TELEVISION SERVICE

A. The Need to Replace the Satellite System

The quality of its programs will count for very little if public television is unable to provide the universal service that Congress envisions. Indeed, a major issue currently confronting public television is the replacement of its existing satellite interconnection system by early 1991. The satellite currently used by public television

will run out of fuel by mid-1991, which means that public television must find new satellite capacity. Most of the existing ground system will also need to be replaced.

Public television's satellite interconnection system, which began operating in 1978, is its programming lifeline, allowing simultaneous distribution of programming from multiple sources to public television stations in the 48 contiguous states, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

In the 1967 Public Broadcasting Act, Congress charged the Corporation for Public Broadcasting with assisting in the establishment of an interconnection system to distribute programs to local public television and radio stations. The Corporation has fulfilled this charge by assisting with the development of the distribution system presently used by public television, by providing funds to help meet system operating costs, and by helping to establish structural safeguards for system operation.

Congress recognized the importance of an economical satellite distribution system for public television and through the Corporation, has been instrumental in assuring its creation. Congress has given public television special assistance by providing funding for public television's present satellite distribution system, as well as by authorizing common carriers to provide free or reduced rate services for public television. In 1978, public television became the nation's first major television broadcaster to distribute its programming via satellite instead of via an AT&T landline net—a costly system that permitted the distribution of only one signal at a time. In contrast, satellite distribution has provided a fast, easy, and economical method of transmitting programs from a variety of sources.

The current public television satellite interconnection system consists of four transponders owned by PBS on the Westar IV satellite; receive-only ground terminals owned by individual public television stations; the Main Origination Terminal, from which programs are transmitted, owned by PBS; and a number of uplink facilities owned by regional organizations and other entities. Programming is distributed over the system by a wide range of program suppliers and distributors (including PBS), regional public television networks, state networks, individual public television stations, other public television entities, and independent program producers and distributors.

PBS manages and operates public television's satellite interconnection system under an agreement with CPB. Licensees of all public television stations elect representatives to the Interconnection Committee, which develops and monitors policies for the use of public television's satellite transponders.

The benefits of satellite distribution have proven to be extensive and have reinforced the fundamental principles on which public broadcasting is based. By making programming choices and originating opportunities available to all stations, producers, and program distributors, the satellite system furthers the concept of localism that is so central to Congress's vision of public broadcasting. The technical ability of the satellite system to distribute multiple programs simultaneously to local public television stations, as well as the broad range of program producers and distributors that use the system, have enhanced public television's diversity and local autonomy. Each public television station is able to develop the programming schedule that best serves its community's unique needs and interest. The system has assured distribution of reliable public television signals of high technical quality, has fostered the development of educational and other special services such as the Adult Learning Service, National Narrowcast Service, Elementary/Secondary Services, and VBI Data Delivery Service, and has permitted interconnection of new stations quickly and easily.

Faced with a failing satellite and deteriorating ground facilities, public television must acquire a new satellite distribution system if it is to continue its present services, let alone provide new opportunties for all Americans, in the future. System modifications may also be required by changes in the satellite regulatory environment. For example, the decision of the Federal Communications Commission (FCC) to reduce the spacing of satellites to two degrees in the orbital arc may necessitate the upgrading of receive-only or uplink facilities. In addition, the distribution system that will support public television during the next decade needs to be updated to accommodate emerging technologies, so that public television can continue to provide services of the highest possible technical quality.

The present public television satellite distribution system ground equipment and satellite transponders (including both purchased and, in the earlier years, leased transponders) cost in excess of $50 million. This amount does not include current net annual system operating costs of approximately $8 million, fifty percent of which are funded by CPB.

An estimate of the cost ranges for the replacement satellite distribution system was compiled by Peat Marwick Main & Co. For a system that replaces the existing system's capacity, the estimated cost range is approximately $63 million to $106 million. If additional capacity with technical and service flexibility is incorporated into the replacement system, the estimated cost range is approximately $139 million to $268 million. These cost estimates represent estimates for examples of the spectrum range of system configurations currently being considered by public television. Based on discussions with satellite vendors and proposals submitted by those vendors, public television believes it must conclude an agreement for replacement satellite service by the end of 1988 to assure itself adequate future transponder capacity at an acceptable price. Time is needed to put the system in place by 1991; and any delay in the decision schedule could result in significantly higher costs.

The satellite system is the lifeline that has made it possible for public television to fulfill the public trust that Congress has mandated for us. Its multi-channel capacity permits a host of educational and general audience services that were previously impossible. It has enabled a diversity of national, regional, state, local and independent production that could not have been imagined. It has been highly cost-effective in the use of public funds, as compared to terrestrial facilities. Through our system, public television was the first to tie all of the nation together, permitting citizens everywhere to receive the best that television can offer, regardless of their distance from the cultural facilities and information resources of the great population centers.

In the 1990's and beyond, the need of all of our citizens for the education, information and enlightenment that will enable them to function as fulfilled and effective citizens of the United States and participants in the world economy, is more critical than ever before. Public television has the potential to help meet that challenge. But without a new satellite system—a system designed not merely to stand in place, but to serve the new technological and public service opportunities of the next decade—without a new satellite system, public television will cease to exist.

The choice is between the loss of a precious national resource—or the capitalization of that resource for a return to the people of America beyond anything we have seen to date.

B. The Need to Assure Access to New Technologies

But for the wisdom of the policymakers who saw fit to reserve channels for noncommercial, educational broadcast use, public television would not exist. Experience has shown that, given a scarce resource such as the broadcast spectrum, the "marketplace" alone cannot be relied upon to make adequate provision for noncommercial, educational uses.

This means that public television is at a fundamental disadvantage in competing with commercial entrepreneurs for access to new distribution technologies. To the extent that these new technologies become critical to public television's ability to reach its audience, or to offer technical quality comparable to that availability in the media marketplace, it is imperative that Congress and the Federal Communications Commission (FCC) take steps to assure public television's access to new distribution technologies, whether cable, broadband home delivery by telephone companies or common carriers, direct broadcast satellites, or other technologies not yet available.

Absent appropriate federal action in the following areas, public television will continue to fall short of the Congressional goal of assuring nationwide availability of public television service to every American.

In the past, cable systems were required to carry all local broadcast stations, including public television stations. These "must-carry" rules assured that cable subscribers would continue to have access to public television service, even if they disconnected their antennas or failed to install and use an A/B switch. Following a 1985 decision by the U.S. Court of Appeals for the District of Columbia Circuit invalidating these "must-carry" rules, the FCC adopted new rules that provided reduced protection for public television and that included a "sunset" provision after five years. Last year, the Court of Appeals again held even these more limited must-carry rules unconstitutional, leaving public television stations without any assurance of carriage by their local cable systems. To further exacerbate the problem, cable systems have begun to reposition the channel assignments of local broadcast stations, moving them to less desirable locations on the dial and making it harder for viewers to find them.

Although progress has been made toward achieving UHF parity with VHF channels, a significant gap remains. Approximately two-thirds of the public television stations operate on UHF channels, and the lack of parity means they operate under

a substantial handicap: their viewers experience greater reception problems, and their transmission costs are higher.

The channels reserved for noncommercial, educational television use must be protected against incursions from land-mobile and other uses.

High definition television (HDTV) is already gathering momentum not only because of the significant improvements in quality it offers the video media, but also because of the commercial potential for new production equipment, transmission equipment, and television sets, as well as the incentive HDTV will provide for consumers to subscribe to cable and purchase videocassette players. In the rush to exploit HDTV for commercial purposes, we must not lose sight of the importance of developing a communications policy with respect to HDTV that also takes public television's needs into account.

CONCLUSION

"The future of public television depends on what kind of society the United States aspires to be. One possibility—the logical outcome of pay-media predominance—will be a further balkanized culture, split principally along class and geographic lines. The other possibility, which public radio and television have tried to nurture, is a society that not only respects differences of interest and culture, but communicates them so that virtually everyone, regardless of ability to pay or accident of locale can sample and share in the life of others." (Michael Rice, Public Television: Issues of Purpose and Governance, Aspen Institute for Humanistic Studies, 1981.)

Rice's statement summarizes the dream of public broadcasting's founders. While our reach should always exceed our grasp as we strive to achieve the principles of quality programming, editorial diversity, universal access, and local community responsibility that have guided our development, these principles continue to be the measure by which to judge public broadcasting's success and future value to the nation.

In 1967, Congress took historic action and laid the foundation for what the second Carnegie Commission later called a national treasure. The Congress now has the opportunity to take a major step towards assuring that this national resource will continue to improve and extend its benefits to all Americans by extending the authorization for public broadcasting programming and operations into the 1990's and by authorizing funds for the replacement of its satellite interconnection system.

Public broadcasting's achievements to date would not have been possible without the wise policy choices and vision of practical men and women of action. Whether its future will remain bright depends on the wisdom of Congress, the administration, the FCC, and the courts in guaranteeing for the American people the continued noncommercial, educational use of the airwaves. To preserve and extend the benefits of public broadcasting, policymakers must also assure that it has access to new distribution technologies.

Public television has the potential to make the riches of our heritage and our civilization available to all of our people. Our national policy on public broadcasting must take the steps necessary to turn potential into reality.

QUESTIONS OF SENATOR INOUYE AND THE ANSWERS

Question 1. Please outline how you would spend the funds you have requested.

Public television's FY 1991-1993 request for authorizations is contained in the submissions by the Corporation for Public Broadcasting (CPB) and the National Association of Public Television Stations (NAPTS); PBS has not submitted an independent request.

The CPB and NAPTS requests are based on the projected needs and opportunities for public television service to the nation in the 1990's. Those projections were developed in consultation with PBS and other public television station representatives; and PBS strongly supports the authorization requests that resulted from that process. We understand that NAPTS has requested $442 million in 1991, based on the premise that Congress should restore the matching ratio of one federal dollar authorized for every two dollars raised by public broadcasting from non-federal sources. CPB has requested a lesser amount ($395 million in 1991) than would be required to achieve that level of federal commitment, but an amount that CPB believes would be sufficient to provide cost-effective new programming and educational initiatives to address urgent national problems.

Authorization at the level requested by NAPTS would permit public television to maintain the strong program services it presently offers, including news analysis, documentaries, and public affairs programs; coverage of national and local governmental issues and proceedings; programs that enable all Americans to share the rich diversity of our cultural heritage; instructional programs for elementary, secondary, college, and adult learners; and programs that treat our children as our most precious resource, rather than merely as prospective consumers.

Authorization at the requested level would, in addition, enable public television (1) to enhance significantly its program services for the general audience, (2) to undertake important initiatives in instructional television use, and (3) to install the next generation satellite interconnection system.

Although PBS is proud of its present general audience service, we recognize that we have not yet begun to realize public television's full potential. Our goal remains to provide a service of unprecedented scope and depth in a broad range of program areas -- news and public affairs, community outreach and community service, science and natural history, American drama, music and dance, the visual arts, and children's and family programs -- every day of the week, every day of the year, for all Americans regardless of their means. The best of public television's present programming now demonstrates the potential of public television for superior public service; funding at the requested level will enable public television to do consistently what it now has the resources to do only occasionally.

Although public television's service to education has been significant, additional resources would enable it to do much more to support public education's critical role in assuring America's continued prosperity, security, and way of life. At the requested authorization level, public television would embark on a fundamental, across-the-board initiative to expand its support for education through new programs, teaching materials, support services, and delivery systems for: children and youth in schools and at home; adult literacy, job skills, and career training; college courses via television; public awareness of educational issues and needs; and teacher training.

The public television satellite interconnection system has made it possible to provide all of our citizens, not just those who live near the major cultural, educational, and governmental centers, with programs reflecting the values, tastes, concerns, and creativity of Americans and their many communities of interest all across the land. At the requested funding level, public television could assure timely replacement of the present facility with a new satellite distribution system that will reenforce the independence of the community-based public television licensees; enhance the programming choices and origination opportunities available to individual stations; facilitate the distribution of quality programming in the least costly and most flexible manner practicable; maximize the use of the limited financial resources available to public broadcasting; and employ the

best technology available to deliver public television's general and educational services, enhance their utility to the public, and maximize their reach.

The funding levels set forth in S. 2114 are significantly lower than you have requested. How will the plans you outlined above be revised if S. 2114 is passed?

The authorization level proposed in S. 2114 ($304 million for programming and operations in 1991, together with $200 million for replacement of the television and radio satellite interconnection systems) would enable public television to maintain the breadth and quality of its present services, to build the essential new interconnection system, and to enhance its general and educational services in the areas of most critical need. Funding at the levels set forth in S. 2114 would not be sufficient to enable public television to undertake education and public service initiatives of the full scope and strength described above, but it would permit some valuable enhancements.

CPB and NAPTS estimate that a minimum of $275 million in federal appropriations would be required to maintain public television's current services in 1991. Although a $304 million appropriation would not exceed that level by a large margin, the increase in federal support would generate important additional non-federal support as well. (Historically, increased federal support for public television has been multiplied severalfold by new non-federal support.) Taken together, the new support from all sources would permit public television to strengthen present services, or initiate new services, in those areas where the need was determined to be most urgent: in community outreach programs tackling problems of drug abuse, illiteracy, and the AIDS crisis, for example; or new educational programs to increase our skills as citizens and as competitors in the global economy; or new efforts to strengthen the bonds of community in our multicultural society by sharing the best of those cultures; or strengthened programming to enhance public awareness and understanding of the critical issues and choices in our democracy; or revitalization of our children's and family programming to meet the needs of a new generation of Americans.

What would be the impact of the President's proposal to limit funding to $214 million in 1991? What effect would this funding level have on the replacement of the satellite interconnection system?

If funding in 1991 were limited to $214 million, as proposed in the President's budget, the effect on public television would be catastrophic. In terms of programming and operating funds alone, that level would represent a shortfall of more than 20% from the minimum level of federal support estimated to be necessary merely to maintain present services. And just as the positive encouragement of increased federal support has a multiplier effect in generating much greater non-federal support, the damage of limiting the authorization to $214 million would be multiplied by the strongly negative message that it would deliver to public television's other present and potential sources of support. The shortfall from the requested level would mean not only the loss of additional federal support, but also loss of the powerful incentive effect that additional appropriations would otherwise have on state, local, and private sector support.

The loss of such support would represent a lost opportunity to capitalize on our national investment in public television by employing this powerful resource to tackle head-on our critical national needs in public education in the 1990's.

The damage to public broadcasting's program services would be compounded even further by the failure to provide any federal assistance for the replacement of its interconnection systems. Those interconnection systems are the lifeline of public broadcasting; without them, there would be no cost-effective means of making programs universally available to communities across the nation. When the existing Westar satellite interconnection system fails, as it is projected to do in 1991, public broadcasting will have no option but to replace it. Without federal financial assistance, however, replacement options would be severely limited. The likely result would be (1) a substantial reduction in the technical quality, capacity, flexibility, and reach of the replacement systems; (2) a substantial increase in public broadcasting's debt in order to finance the interconnection system; and (3) a drastic curtailment of public broadcasting's ability even to

maintain its present level of programming and services -- let alone to make any investment in new services to meet the critical needs of the 1990's.

Question 2. **Will the request for $200 million to replace the satellite interconnection system cover the entire cost of the system?**

> **It is my understanding that the actual cost to replace the Satellite Interconnection System has not been determined. Where do you anticipate getting additional funds for the system if it costs more than $200 million?**
>
> **What percentage of the $200 million will go to radio and what percentage will go to television?**

The $200 million requested for satellite interconnection system replacement is intended to cover all or most of the costs of replacement interconnection systems for both public television and public radio. In the event that $200 million is not adequate to cover the costs of both systems, public broadcasting will attempt to finance the remaining costs through financing arrangements offered by equipment vendors or commercial lending institutions. Federal satellite replacement funds also will be supplemented with contributions toward replacement costs by local stations, and, of course, with funds available for interconnection costs from the general CPB appropriation.

The precise allocation of funds to public television and public radio has yet to be determined. CPB, NPR, NAPTS, and PBS have agreed that resolution of this issue should await more detailed information about the costs of each replacement system.

The great preponderance of CPB's appropriation is expended in direct grants for program production and in Community Service Grants to public television and public radio licensees. By statute, CPB's administrative costs cannot exceed a small, specified percentage of the total appropriation. PBS believes that this emphasis on minimizing administrative costs, while maximizing direct support for the programming and operations of the public television and public radio licensees, is appropriate. In our locally-controlled public broadcasting system, no one is better situated than the public broadcasting licensees to evaluate local needs and decide how to allocate those funds to the best advantage of the communities that they serve.

Although the most critical funding need is for money to support local station operations and programming, there are other important public broadcasting needs, such as payment of copyright royalty fees, audience research, training, and interconnection operations. Adequate financial support for these activities is also needed to assure that the American people receive the best possible public television and public radio service. CPB presently allocates its remaining funds to activities such as these, which, though not involved in program production per se, do support the effective delivery of program services. Without such CPB support, the full financial burden of funding these activities would fall on the local public broadcasting licensees.

Question 4. For many years, independent producers have been raising their concerns about compliance with the 1978 law. Why haven't you been able to resolve this issue.

First, the law in question applies to funds appropriated to, and disbursed by, CPB. Accordingly, this question is more appropriately answered by CPB (to which we understand that it was also sent). To the extent, however, that the independent producers' fundamental objective is to assure an adequate source of production funding, the only lasting solution to the problem will be an increase in federal financial support. As long as funding for public broadcasting remains inadequate to meet the system's programming needs, there will be differences of opinion over funding priorities and dissatisfied producers who cannot get their projects funded.

For PBS's part, it believes that independent producers make a significant contribution to the quality and diversity of the PBS program schedule. It also believes that the interests of both public television stations and independent producers are best served by close cooperation between the two. That cooperation can provide independents with: access to major public television series, some of which have been designed specifically to provide a vehicle for presenting independent works; access to funding from various program funds contributed by stations to help assure the production of programs that will meet their most important programming needs; underwriting assistance; assistance in shepherding a program through the PBS program process and assuring that it complies with PBS's technical standards, underwriting guidelines, program policies, and other requirements; and assistance in scheduling, carriage, and promotion.

Ultimately each local public television station is responsible for deciding which programs to broadcast and when to schedule them. When scarce federal funds are used to finance programs that, for whatever reason, fail to meet public television's programming standards or needs, everyone is the poorer: the producer, whose program does not receive the public television carriage and support that he or she had wanted; the stations, which obtain a program that is of little use to them and, because of lack of funds, cannot afford to finance another production; the viewing public, which is deprived of the quality program that those funds could have produced if allocated more wisely; and Congress, whose goals of fostering the full development of the nation's public television system and making quality programming available to all Americans, would be thwarted. Greater cooperation, and not deeper division, between the public television and independent communities is the only way to assure that precious federal resources are used in a way that will provide maximum benefit to independent producers, public television stations, and the American people.

PBS has made special efforts to foster greater cooperation between public television stations and the independent community. For example, at the request of the Association of Independent Video and Filmmakers, on November, 1986, PBS invited a panel of independent producers to examine the issue of independent access to public television at the

PBS annual programming meeting. The session was well received and helped the representatives of the independent community (Lawrence Sapadin and Lawrence Daressa) make a strong case on behalf of their constituents.

In recent years, and as a result of cooperation between public television and independents, roughly half of all PBS programs have come from independent sources, including both American independent producers and foreign acquisitions and co-productions.

What is your position on the bill language in H.R. 4118 concerning the independent producers?

PBS does not support the definition of independent producer in H.R. 4118 and believes that its adoption would (1) exacerbate rather than alleviate tensions between independents and public broadcasters, and (2) undermine the public policy purposes for which Congress has fostered development of the nation's public broadcasting system and encouraged independents' access to that system.

By creating a narrowly-defined category of "independents" who are entitled to special funding consideration, without creating an additional funding source to satisfy independents' funding needs, this language promotes an adversarial relationship between those who fall within this definition and those who do not -- both of whom are competing for the same scarce federal dollars. While competition for scarce resources has always been a fact of life in public broadcasting, the difference is that, until now, the competition has been based on merit. Program excellence reflects the talent of the producer, and neither large nor small, independent or public broadcasting station, established or struggling producers have a monopoly on talent. This language, however, would shift the program funding criteria from considerations of merit, where all have an equal opportunity to compete, to the type of entity that produced the program, where some are, by definition, excluded.

More significantly, by defining "independent" to preclude virtually any involvement with a public broadcasting entity, the proposed language would drive a deeper wedge between the independent and public broadcasting communities.

In effect, H.R. 4118 would provide a disincentive to the kind of cooperation that PBS has successfully encouraged in the past and believes is essential if Congress wishes to assure that its funds are used in the most effective way possible. It would needlessly penalize the "successful" independents for the good working relationships they have forged with individual stations or station consortia. On the one hand, they would not be eligible for funds reserved for "true" independents; and on the other, the reservation of funds for independents would diminish the funding available for consortia projects, open solicitation projects, and the other program vehicles through which these producers have obtained funding in the past.

Given the wide variety of cooperative production and/or presentation arrangements that independent producers often have with public television stations, as well as the broad range of circumstances in which an independent might solicit PBS's assistance, advice, or involvement in the project, it could be extremely difficult to sort the "true" independents from the other producers. The difficulty of applying the proposed definition to these various situations would only heighten producers' reluctance to collaborate with public broadcasters and create new opportunities for disagreement about who falls within and who falls outside its terms.

Finally, an overly narrow definition of "independent" that singles out one group of producers for special treatment would be inconsistent with the fundamental purpose of the Public Broadcasting Act, which is to foster the development of a public broadcasting service, not to fund individual producers or programs. To the extent that the overriding congressional purpose is to "facilitate the full development of public telecommunications" (emphasis added), that purpose is best served by expanding, not restricting, the category of producers eligible to receive financial assistance.

How does PBS define an independent production?

For record-keeping purposes, PBS employs CPB's definition of an independent production so that PBS's statistics will correspond with CPB's. As stated in Donald E. Ledwig's written testimony before this Subcommittee,

"CPB uses the following criteria for judging an independent production:

A. The producer has no affiliation with a public or commercial broadcasting licensee which could exercise content or fiscal control over the project; and

B. The producer has control over the budget and content of the production, subject to oversight by CPB or its designee to satisfy the Corporation's mandate as steward of federal funds, and to ensure that the production is consistent with the original proposal and meets the system's journalistic, artistic, and technical standards."

CPB considers a production "independent" when the conception, content, and budget are the province of the producer, even if the producer works under an executive producer, as with AMERICAN PLAYHOUSE and FRONTLINE.

PBS supports this definition, which reflects the generally accepted demarcation between public television stations (and their employees) and other producers, some of whom may work closely with public television stations, but who nonetheless develop their own program concepts and exercise editorial and financial control over production of those programs. This definition recognizes a difference between the two and permits Congress to acknowledge the importance of assuring that the works of both categories of producers continue to be represented on public television. It avoids, however, the definitional pitfalls of trying to distinguish among independent producers given the vast differences in their size, stature, financial resources, structure, experience, and working relationships with public television stations, and it does not have the destructive effect that a narrower definition would have on the level of cooperation between independents and public television stations.

What percentage of the programs carried by PBS are independent productions?

Using the above definition of independent, PBS distributed the following number of program hours, broken down

by producer type, in Fiscal Years 1986 and 1987 (July to June).

Producer Type	Hours FY86	Hours FY87	% of Total Hours FY86	% of Total Hours FY87	% Change in Hours FY86 to FY87
PTV Station	780	800	56.2%	52.9%	+2.6%
American Independent Producers*	439	497	31.7%	32.8%	+ 13.2%
Foreign Acquisition/ co-production*	168	216	12.1%	14.3%	28.6%
Totals	1387	1513	100.0%	100.0%	

Thus, programs provided by American independent producers account for approximately one-third of total program hours, and this amount increased by 13.2% between FY 1986 and 1987.

What percentage of PBS' programs would meet the definition of independent set forth in H.R. 4118?

It is difficult to provide a precise answer to this question because PBS does not collect data in a form that tracks the definition in H.R. 4118. Moreover, given the imprecision in that definition, a number of interpretive problems arise in trying to apply it to the data that PBS does have about its programs. For example, if a producer who would normally be classified as an "independent" under H.R. 4118 were to seek editorial or financial guidance from PBS, would that producer forfeit its independent status? This is more than an academic question because virtually every producer who provides a program to PBS does, in fact, seek PBS's opinions and guidance at some point in the program process.

However, in an effort to be as responsive as possible, we have reviewed our programming records and, to the best of our ability, compiled a list of PBS programs produced by persons or entities that we believe would comport with the

H.R. 4118 definition of independent producer. That review revealed that during FY 1987, PBS distributed 605 programs provided by 89 different production entities that would qualify as "independent." These 605 individual programs yielded a total of 405 broadcast hours, or approximately 27% of all program hours distributed by PBS during FY 1987.

Question 5. What if any programs you have funded and/or broadcast that are aimed at gifted children?

Public television programs offer a cost-effective way of providing universal access to educational materials, not otherwise available in the classroom, that can challenge and stimulate talented and gifted children. Those programs can provide rich educational experiences for children both at home and at school. In the classroom, the teacher and media specialist are key to using these programs to help accelerated children develop their abilities to the fullest.

VOYAGE OF THE MIMI and the upcoming THE SECOND VOYAGE OF THE MIMI are cases in point. These series engage the intellectual interests of middle school children at all levels of abilities through their dramatic scientic adventures and investigations. Accompanying the series are books, computer software, and other aids so that teachers can tailor the teaching/learning experiences to meet special needs, including rigorous scientific research and experimentation for the most talented students. The fact that the programs and the ancillary print and computer materials can be available in the classroom and/or in the media library over time means that no child need ever miss a lesson and that teachers can assign certain lessons to special advanced children in earlier grades than those of the typical users.

The USA/USSR YOUTH SUMMMIT, a series of three teleconferences offered this spring, provided teachers with materials and suggestions to motivate youth to learn more about the myths and realities of teenage life in the Soviet Union. All over the country, students flocked to libraries, participated in peer study groups, and studied the Russian language and culture to advance their knowledge beyond what is normally available through classroom instruction.

The third teleconference -- a spacebridge between this country and the Soviet Union -- brought together over 50 talented high school students from throughout this country to interact with a similar group of Soviet students, the first time teens have ever had such an opportunity in either country. Most of the fifty states and Puerto Rico chose a student representative for the spacebridge studio audience. Across the nation, other students participated in the teleconference locally and worked on special projects in cultural understanding to supplement the broadcasts.

Gifted students also benefit from college credit television courses distributed through the PBS Adult Learning Service to participating public television stations and their local college and university partners. Not only do these courses serve approximately 200,000 adult learners in an academic year, but they also serve many hundreds of advanced high school students.

In some instances, high schools use the college courses as advanced placement opportunities in physics, science, English, social science, and other subjects. In other cases, concurrent enrollment arrangements allow advanced teenagers to earn college credit through the television courses at the same time they earn high-school credit through their classroom instruction. Also, many courses (and specific programs within them) are used by creative high-school, and even middle-school, teachers as integral parts of their lesson plans for advanced students.

Public television also addresses the needs of gifted children through direct involvement in the professional development of teachers. Many local stations have active utilization departments to assist local teachers and schools in understanding and using instructional technologies in general and specific public television programs/series in particular. Many times these efforts are developed and implemented in conjunction with the state's Department of Education.

Through the Adult Learning Service, teachers are offered the opportunity to expand their knowledge and to earn college credit through television in a variety of fields, including education. PROGRAMMING FOR THE GIFTED: MODELS AND

METHODS, a course developed by the University of Wisconsin Extension and, depending upon the offering institution, used as both an undergraduate and graduate level course, provides teachers with a theoretical base and practical models for developing the talents of gifted children.

Additionally, the PBS Elementary/Secondary Service offers special teleconferences to assist teachers. For example, last year, in cooperation with the North Central Regional Laboratory, PBS presented two programs entitled "Strategies for Teaching Reading as Thinking." Next academic year, PBS will distribute several more teleconferences for the professional development of teachers and administrators in collaboration with the regional laboratories and with national education organizations. A special workshop on advanced placement courses for the gifted and talented student, produced by the College Board, is scheduled for next spring.

Public television stations and consortia are also deeply involved in developing new information services and technology applications that hold particular promise for advanced students. For example, the Computer Software Consortium (CSC) is exploring ways to evaluate instructional computer software and to distribute the best of it in the most cost-effective way through collaborative efforts of public television stations and state departments of education. The Nebraska Network is a leader in the development of the interactive videodisc, which combines the best features of video and computerized access to information and, thus, offers the potential for providing a range of learning experiences in any given subject. The videodisc offers enormous potential for serving gifted students in a variety of fields.

With additional federal support, more public television progams could be tailored to the special needs of the nation's gifted and talented children. This could take the form of special units of study designed to provide the extra information and challenges gifted children need. These materials are particularly important for students attending small or rural schools, where the small staff often precludes access to certain advanced courses of study. Additional federal funding would also make it possible to create more special support materials designed for gifted children to accompany general at-home and in-school programming. Finally,

such funding could be used to underwrite an ongoing program of professional development for teachers and administrators so that they could be more effective in meeting the educational needs of the gifted.

Question 6. Have you considered the possibility of using new technologies such as teletext or other vertical blanking services to serve the needs of gifted children?

Having pioneered the technology to use the vertical blanking interval (VBI) of the television signal, PBS is currently investigating its potential for educational use. One of the more promising uses is a project to index video programs and collections. First, such an index would provide the user of each video program with information about what is available within the program, such as the topics covered; the length of coverage; the suitable grade levels and subject areas; and the type of production, (e.g. computer graphic, live demonstration, dramatization, interview). Second, the index would make it possible, through an interface between a VCR and a computer, for the user to have immediate access to the segment desired. Eventually, the project will develop an integrated index for complete video libraries, so that teachers and students will be able to discover and access easily all of the segments within their school collections that deal with the topics they wish to cover in class or use for research.

The VBI also holds great promise as a vehicle for downloading data to accompany television series. This information might take the form of computer-assisted learning modules, computer simulations, bibliographies, databases, student worksheets, and teacher guidebooks, among others. While some of this information would be designed to reside on computer discs only, some would be intended for distribution through print.

Several public television stations have begun new technologies projects in addition to the Computer Software Consortium noted above:

o WNET/NY has started another consortium called Learning Link, which provides on-line information services from each participating local station about instructional television and

general programming; suggestions for teacher utilization; opportunities for computer forums (dialogues among teachers on the system about special topics); and other information.

o WVIZ/Cleveland provides The Curriculum Connection, a correlation of the 2000 plus programs in its library with the recognized Sears Topics Listing so that teachers will know which programs to use for which subjects and levels.

o The Central Educational Network (the regional organization for public television stations in the middle section of the country) is developing EDISON, a database that offers industry information to instructional television professionals at public television stations, including a messaging system. EDISON will also serve as a major gateway and coordinating device for those who wish to use more than one of the other services mentioned above.

Question 7. What PBS programs address the concerns on Hispanics?

PBS audience research shows that minority groups' viewing choices do not vary by any substantial measure from the viewing choices of the majority. For example, according to survey data provided by the Roper Organization, people who classified themselves as being of Hispanic origin represented 5% of a random sample of the U.S. population, and represented 4% of the persons who claimed to have watched public television in the preceding week. Put another way, the public television audience is made up of approximately the same proportions of ethnic minorities as is the population taken as a whole. This relationship holds consistently from month to month and year to year, and underscores the point that ethnic origin (or for that matter, socio-economic status) is not a reliable predictor of viewing choices.

In addition, for the reasons described in response to Question 8 below, PBS does not believe that it is possible or appropriate to try to categorize the interests and concerns of different minority groups and then classify its programs accordingly. Instead, PBS is committed to assuring that its overall program schedule reflects the full ethnic diversity of our pluralistic society. This commitment was expressly reaffirmed last year when the PBS Board of Directors adopted new Program Policies that provide:

The diversity of public television producers and funders helps to assure a wide variety of program subjects and approaches, providing a bulwark against program domination by any single point of view. The goal of diversity also requires continuing efforts to assure that PBS programs fully reflect the pluralism of our society, including, for example, appropriate representation of women and minorities.

To the extent, however, that this question addresses "concerns on Hispanics," PBS does collect information about the subject matter of the public affairs programs it distributes. That information does not include performance, cultural, or children's programs. Solely within the public affairs area, PBS distributed a substantial number of programs touching on matters related to Spanish-speaking countries or related to issues that may specially affect Spanish-speaking peoples, such as immigration, relations with Cuba, Central-American struggles, the Iran-Contra affair, Mexico and the U.S. economy, and the like.

During FY 1987, approximately 10% of the 1500 unduplicated program hours distributed by PBS included material related to these subjects -- a total of approximately 150 program hours. These 150 hours included public affairs programs, such as the following, devoted entirely to issues that affect Spanish-speaking people:

CUBA - IN THE SHADOW OF A DOUBT

DIGGERS

A DAY IN THE LIFE OF AMERICA

THE LEMON GROVE INCIDENT

THE OTHER SIDE OF THE BORDER

ADAM SMITH'S MONEY WORLD: SHOULD WE BE WORRIED ABOUT MEXICO?

NOVA: THE SEARCH FOR THE DISAPPEARED

FRONTLINE: WAR IN NICARAGUA

SOUTH AMERICAN JOURNIES

IRAN-CONTRA HEARINGS

In addition, THE MACNEIL/LEHRER NEWSHOUR, FIRING LINE, WASHINGTON WEEK IN REVIEW, AMERICAN INTERESTS, and CAPITOL HILL each included multiple features relating to Spanish-speaking countries or matters affecting Spanish-speaking Americans.

Are any of those programs broadcast in Spanish?

From time to time, PBS does distribute programs (although not including any of the above) either in Spanish or in English accompanied by a simultaneous Spanish translation. Public television stations located in areas of high concentrations of Hispanics do provide regularly scheduled Spanish-language programming.

Do those programs provide news and information on national issues of concern to Hispanics?

All of the programs identified above, as well as the balance of the 150 hours of programs identified as relating to issues that affect Spanish-speaking people are classified by PBS as "public affairs" programs, i.e. programs that provide news and information on national issues. However, as explained in response to Question 8 below, PBS does not assume that the national issues of concern to Hispanics are limited to issues affecting Spanish-speaking people. The PBS national schedule includes many other programs that provide news and information about a broad range of national issues, many, if not all, of which PBS believes would be of concern to Hispanics.

What English language programs geared toward the Hispanic community does PBS carry?

As noted above, our research indicates that Hispanic viewing habits are not materially different from the viewing habits of the majority. Moreover, as explained in response to Question 8 below, PBS believes that there are serious definitional problems in tying to categorize programs as

"geared toward" a specific minority community. PBS endeavors to assure that its overall program schedule will respond to the concerns and interests of all Americans and not exclude any ethnic group. Our audience research confirms that we have been successful in achieving that goal.

How much money did PBS devote to Hispanic programming in 1987?

Again, there is a threshold definitional problem in identifying "Hispanic programming." PBS does not categorize its programs in this way and, therefore, does not have such data available.

To the extent that this question is directed at the public affairs programs, identified above, that address issues affecting Spanish-speaking people, PBS only has accurate cost information for the full-length programs. PBS does not maintain information that would enable it to calculate the cost of specific segments within a larger program, such as THE MACNEIL/LEHRER NEWSHOUR. PBS estimates, however, that upwards of $8 million to $10 million was spent on these programs. (These numbers reflect a rough pro-ration of total costs based on the estimated duration of each segment.)

Question 8. What percentage of PBS' programming was directed towards the interests and concerns of minorities and women in 1987?

What percentage of PBS' programming will be directed towards the interests and concerns of minorities and women in 1991-1993?

A threshold problem in trying to assign precise percentages to the PBS programs that are "directed towards the interests and concerns of minorities and women" is the definitional one of identifying those concerns and then deciding whether a program is directed towards them. To begin with, creating such a category presupposes that matters of interest and concern to minorities or women would not be of interest to others in our society, and that if they were, they would fall outside this category. But reality is not so stark. For example, coverage of the Iran-Contra hearings went to the heart of important questions about the way our country

conducts its foreign policy -- questions that, in a participatory democracy, should be of concern to every citizen. At the same time, because the focus of those hearings was on events related to Central America, it could be expected that they would hold special interest for the Hispanic audience. Is it appropriate to classify those hearings as "directed towards the interests and concerns of minorities"? We believe so; but at the same time we recognize that they were also responsive to the interests and concerns of a a much larger segment of the public.

Categorizing programs in this way also suggests that minorities or women, respectively, have identifiable common interests. While they may have some such interests, they also have many other interests in common with the larger society. PBS would never assume that virtually any of its programs is not of interest or concern to some -- perhaps even a significant number of -- minorities and women. Indeed, PBS selects its programs -- whether a ballet, a news report about a political event, a nature documentary, or a drama -- precisely because it believes that they will be of such interest.

SESAME STREET is a prime example of the way in which a program can effectively meet the interests and concerns of both general and discrete audiences. SESAME STREET is enjoyed by children of all ethnic backgrounds, all of whom benefit from its educational content. An argument could be made, however, that it is particularly responsive to the needs of minority children who often lack other sources of educational enrichment. Moreover, SESAME STREET has traditionally had a strong commitment to including specialized segments in each program that are produced with a minority audience in mind. For example, a typical SESAME STREET program might contain a language lesson in Spanish, a disabled person succeeding in the larger culture, and a black or other minority person portrayed in a positive fashion. Again, PBS believes that programs such as SESAME STREET are "directed at the interests and concerns of women and minorities" even though they are produced with a much broader audience in mind.

Just as it would be a mistake to believe that minorities and women are not interested in or concerned about many of the same issues as the rest of society, it would be a

mistake to assume that the rest of society is not interested in or concerned about matters that specially affect minorities or women. For example, EYES ON THE PRIZE, which documents the civil rights struggle, might be presumed to address the special interests and concerns of blacks, but PBS's support for that project was not based on its special appeal to a particular minority group, but on its importance for all of the American people in helping to understand this passage of the nation's history. Thus, while one could list a program such as EYES ON THE PRIZE in a category of programs directed towards the interests and concerns of minorities, to do so would diminish its significance for the broader audience that it was also designed to reach.

There are some specialized programs, such as TONY BROWN'S JOURNAL, that are explicitly designed to address topics and feature personalities of more intense interest to a particular minority group. While one could safely include such programs in the category of programs directed towards minorities' and women's interests, for all of the above reasons, it would be a mistake to construe such a category so narrowly.

Finally, the ethnic or gender identity of those responsible for a broadcast -- producers, directors, writers, actors, performers, news reporters, hosts -- also has an undeniable (though unmeasurable) effect on the extent to which a program is likely to be directed towards minorities' or women's interests, as well as on whether it is perceived as being so directed. This is true irrespective of the program's subject matter. For example, the fact that LaVar Burton hosted READING RAINBOW could be presumed to have enhanced its appeal for black children, although it was designed to encourage children of all racial backgrounds to continue reading over the summer. Similarly, Charlayne Hunter-Gault's presence in the editorial councils of the MACNEIL/LEHRER NEWSHOUR provides some measure of assurance that the issues selected for coverage and the manner in which they are covered will reflect the input and perspective of someone who is herself a member of a minority group. However, percentages based on rigid program categories are a poor method of taking these subtle, but very real and important, factors into account.

In short, the percentage of PBS's programs that are "directed towards the interests and concerns of minorities and women" depends on how one defines those interests and concerns. At one extreme, the answer could be close to, if not at, 100% of the PBS program schedule. At the other, it would be much smaller. But either answer, and indeed any answer in between, would be unavoidably misleading because there is no way to measure with confidence the amount of "minority/female interest" in a particular subject matter, personality, or program format. Nor is there any satisfactory way of quantifying how much of a program must be devoted to matters of "minority/female interest" to qualify for inclusion in this category.

PBS's goals with respect to programs "directed towards the interests and concerns of minorities and women" are far more ambitious than attaining a specified percentage of such programs. Instead, PBS seeks to assure that, to the extent that there are unique concerns and perspectives of minorities and women, they are reflected throughout the PBS program schedule and not relegated to a limited number of programs labeled as being for minorities or women.

PBS's efforts to provide a program schedule that represents the full diversity and pluralism in our society has included the presentation of programs that most people would recognize as having special appeal for minorities or women. A sampling of the public affairs programs distributed by PBS last year includes:

AMONG BROTHERS - POLITICS IN NEW ORLEANS
This documentary followed the campaigns of two opposing black mayoral candidates in New Orleans, exploring the new dynamics of black city politics.

BLACKS AND THE CONSTITUTION
This program featured a panel discussion on the historical impact of the U.S. Constitution and the Supreme Court on the treatment of blacks.

BOPHA!
This program examined the complex relationship between black police and residents of black South African townships opposing white rule.

DO YOU HEAR THE RAIN?
This documentary profiled Marian Aiken, a 34-year-old, hearing-impaired teacher who adopted three severely handicapped boys.

EAST OF OCCIDENTAL
This program traced Chinese, Japanese, and Filipino immigration to the Pacific Northwest, examining the evolution of one of America's first truly international neighborhoods in Seattle, Washington.

EYES ON THE PRIZE: AMERICA'S CIVIL RIGHTS YEARS, 1954-1965
This six-part series detailed the spirit, stories, and events of the civil rights struggle in America between 1954 and 1965.

FLYERS IN SEARCH OF A DREAM
This documentary chronicled the golden age of aviation (the 1920s and '30s) through the experiences of pioneering black aviators.

IN REMEMBRANCE OF MARTIN
This tribute to the late Dr. Martin Luther King, Jr. featured excerpts from January 1986 ceremonies in Atlanta on the first national holiday honoring his birthday.

LEGACY IN LIMBO
This program examined the conflict between the city of New York and billionaire H. Ross Perot over the financial rescue of the Museum of the American Indian in New York, which holds the largest collection of Native American artifacts in the world.

LITTLE MIKE -- A VIDEOPORTRAIT OF MICHAEL ANDERSON
This documentary profiled Michael Anderson, who was born with osteogenesis imperfecta, "glass bones" disease. Anderson maintains a full and active life despite his stature (3'6") and a succession of broken bones.

MAKE PRAYERS TO THE RAVEN
This five-part series, based on anthropologist Richard D. Nelson's book of the same name, explored the ways traditional spiritual values and beliefs guide the lives of Alaska's Athabascan Indians.

MANCHILD REVISITED: A COMMENTARY BY CLAUDE BROWN
This program explored urban teenage crime through the eyes of author Claude Brown, who had written of his experiences as a youth in the Harlem of the 1940s and 1950s in Manchild in the Promised Land.

NATIVE LAND: NOMADS OF THE DAWN
This documentary traced the cultural history of Native Americans from 65,000 B.C.

OSSIE AND RUBY . . . IN OTHER WORDS #301
"Woza Albert!: An Ossie and Ruby Special"
This documentary focused on the award-winning production of "Woza Albert!", a satirical play about the second coming of the Messiah -- who arrives by jet in Johannesburg -- and the life experiences of blacks under South Africa's apartheid policies.

POSTSCRIPT TO A WAR: THE INDO-CHINESE IN AMERICA
This documentary examined the difficulties facing immigrants in America, focusing on five case studies from the Indo-Chinese community in Lancaster, Pennsylvania.

THE SECOND TYPE
This program featured a portrait of Elizabeth Shapiro, a lively and intelligent 25-year-old social worker who has cerebral palsy.

THE SKIN HORSE
This documentary examined the emotional lives and sexuality of severely disabled people.

SPIRIT TO SPIRIT: NIKKI GIOVANNI
This program combined commentary, interviews, and performances based on the poetry of Nikki Giovanni, the "princess of black poetry."

THREE WOMEN FILMMAKERS
This documentary presented the work of three of Europe's most highly regarded women filmmakers: Margarethe von Trotta, Agnes Varda, and Liliana Cavani.

TONY BROWN'S JOURNAL
This weekly series featured discussion, commentary, and documentaries on issues of importance to black Americans.

VISIBLE TARGET
This documentary explored the drama and sorrow of the internment of Japanese Americans during World War II through the recollections of Bainbridge Island residents, newsreel footage, and photographs.

WATCH ME MOVE
Combining film clips, archival photographs, interviews and choreographed segments, this program illustrated how the popular dances of this century have been influenced by black music and dance.

WHITE MAN'S WAY
This documentary told the story of government-supported schools, built in the 1800s, that endeavored to teach American Indian youngsters how to blend into the white man's society. It focused on the Genoa Indian School in Genoa, Nebraska.

WILLIAM GRANT STILL: TRAILBLAZER FROM THE SOUTH
This program profiled William Grant Still, the first black to have an opera presented by the New York City Opera, have a symphony presented by a major world orchestra, conduct a major symphony orchestra, and compose scores for Hollywood.

WOMEN: MYTH AND REALITY
This documentary explored changes in the lives of women -- both at home and in the workplace -- and in the way they view themselves.

THE WOMEN OF SUMMER
This documentary examined the Bryn Mawr Summer School for Women Workers, a controversial experiment in which 1700 blue collar working women participated from 1921 to 1938.

WORLD WITHOUT WALLS: BERYL MARKHAM'S AFRICAN MEMOIR
This program explored aviatrix Beryl Markham's public and private life in East Africa, her success as a thoroughbred racehorse trainer, and her solo flight from England to North America.

Predicting future programming is always tricky because PBS does not produce any programs itself (indeed, it is barred from doing so by its Articles of Incorporation) and it does not control the funding and production of programs by others. PBS has every reason to believe, however, that its future program schedules will be even more responsive to the interests and concerns of minorities and women than its current programming is. As indicated above, the PBS Programming Department is constantly striving to assure that the entire program schedule reflects the pluralism in our society. This task is being made easier by the increasing number of programs submitted to PBS that reflect broad ethnic and gender diversity in their production staff, subject matter, talent, or treatment. However, many of these are multimillion dollar series that will require funding from many sources before they will be ready for air. Some of the upcoming series that PBS hopes to be able to distribute, pending full funding and final acceptance are:

AMERICA'S WOMEN (nine 60-minute programs) from WETA, Washington, D.C./Sagebrush Productions (independent producer). This series will provide an in-depth look at women in America, through archival footage, oral histories, movies, etc. It has received a $100,000 grant from PBS's Program Development Fund, which consists of funds contributed by public television stations and is administered by PBS.

CARIBE, THE ISLAND WORLD (four 60-minute programs) from Connecticut Public Television/Helena Ladd (independent producer). This series will explore the islands of the Caribbean, their diversity, their

similarity, their culture, history, economy, etc. It has received $50,000 from PBS's Program Development Fund.

EYES ON THE PRIZE II (eight 60-minute programs) from WGBH, Boston/Blackside (independent producer). This series will examine the impact of the civil rights movement on America and the world from 1965-1984. It has received $360,000 from PBS's Program Development Fund.

WINDS OF CHANGE (six 60-minute programs) from WHA, Madison, WI. This series will look at Native Americans, their historical traditions, art, and religion, as well as the changes currently taking place in their culture. It has received $150,000 from PBS's Program Development Fund.

THE OTHER AMERICAS (ten 60-minute programs) from WGBH, Boston. This series will provide a contemporary history of Latin America and the Caribbean. It will look at key forces that have shaped and are shaping the development of the region. Each program will deal with one or two countries and will be shot on location. A request for funding from PBS's Program Development Fund is pending.

MAN ON THE RIM (thirteen 60-minute programs) from Maryland Public Television/TSD COMPANY. This series will profile the fascinating people, places, and cultures of the Pacific basin, including Indonesia, Indochina, Polynesia, Australia, and South America.

MAKING SENSE OF THE SIXTIES (six 60-minute programs) from WETA, Washington, D.C./Varied Directions (independent producer). This series will examine the decade of the sixties, the people who participated, its meaning, effects, etc. A request is pending for funding from the Program Challenge Fund, which is jointly administered by CPB and PBS, and to which CPB and public television stations contribute equal amounts of money.

PANIC AND PROMISE: AMERICA'S DEPRESSION YEARS 1929-1941 (nine 60-minute programs) from Blackside (independent producer). This series will look at the Depression, starting with the agriculture depression in the 20's and continuing through 1940.

THE BURIED MIRROR (five 60-minute programs) from The Smithsonian (independent producer) and Michael Gill. Carlos Fuentes will write and host this series, which will look at Latin America both historically and currently, pointing out its cultural diversity and rich heritage along with its symbols, images and continuing tensions. Funding has yet to be obtained.

GREAT WOMEN EXPLORERS from WETA, Washington, D.C./Clive Siddal Productions. This series will be about the world's most important 19th century women explorers, each with her own individual guest/ perspective/style of travel. It will recreate the most dramatic journeys and try to find out what motivated these women to break away from the safety and comfort of home and to risk death in the most remote parts of the world.

QUEST (six 60-minute programs) from WETA, Washington, D.C./Adrian Malone Productions. This series will be about Native American history and culture from pre-history to modern times, focusing on a hero whose human story is a metaphor for each episode's theme. It has received partial funding from CPB and PBS.

SIMPLE JUSTICE (five 60-minute programs) from Avon Kirkland (independent producer). This will be a drama series based on the Brown v. Board of Education case. It has received partial funding from NEH, and a request for funding from the CPB/PBS Program Challenge Fund is pending.

Question 9. It appears that most of the innovation in instructional programming is occurring at the state level, but it is concentrated in a few states. What is being done to expand some of the more successful programs on a nationwide basis?

Although national efforts can be important in aggregating expertise and funds, and in promoting more efficient production and distribution of learning materials, instruction remains a fundamentally local responsibility. Thus, it is to be expected that educational innovation would most often occur at the local level in response to local needs. But it is to be hoped that, once proven successful, those innovations would be made available nationwide for use by others with similar needs.

Television and other instructional technologies can play a key role in making successful local projects available nationally and in moving the nation forward in its quest for educational excellence and equity of access. Indeed, using television technology may be the only way to insure that every student can secure the education and training that he/she needs, and that every teacher and administrator can regularly enhance her/his professional expertise.

For the past several years, the grassroots users of instructional television and other technologies have been involved in a long-range planning effort for just these purposes. The results are found, in part, in the public television initiatives for the 1990's described in the response to Question 1 above. They are also found in a long-range plan specifically for elementary/secondaryeducation called "Using Public Television and Instructional Technologies to Meet Educational Needs." A blueprint for collective action, this plan calls upon the diverse elements within the public television and education commmunities to come together in a new and far-reaching collaborative effort to assess needs and to make the best possible use of local and national expertise and funds to meet those needs.

-30-

Consortia and other forms of collaboration are an important part of moving state and local innovation into the national arena. A highly collaborative national mechanism for previewing and purchasing instructional television programming has been in place for some time. The programming itself is usually produced by local stations or state departments of education, by independent producers, or by a consortia of state agencies. For example, the Agency for Instructional Technology (AIT), one of the premiere production centers for instructional programming, performs most of its work for, and receives most of its funding from, consortia of state departments of education. Through such consortia, programs using local expertise and solving local needs can be tailored so that they are appropriate for use by schools in other states; through the national previewing and purchasing mechanism, the programs are made available for purchase nationwide.

Some of the most innovative programs serving broad educational needs are produced by the Outreach Alliance, a consortium of public television stations. The Alliance was created to help coordinate local outreach efforts so that they could serve as a model for other communities. PLUS (Project Literacy U.S.) illustrates the Alliance's work. During its first two years, PLUS concentrated on adult literacy, paying special attention to workplace literacy the second year. Next fall, PLUS will focus on involving parents in the learning processes of preschool and early elementary school children, and will give particular attention to parents who themselves need literacy training. Next spring's outreach project will address teenage literacy. All Outreach Alliance projects are available to local communities across the nation.

The technology projects described in response to Question 6 above -- SCS, Learning Link, The Curriculum Connection, EDISON -- started with one public television station or state department of education, but are now being developed and extended through consortia or other collaborative mechanisms. In addition, approximately a dozen stations and the national public television organizations have created an Office of New Technology Initiatives to monitor local, state, regional, and national technology initiatives within and without the system; publicize those technology projects and services that have the most potential for expanded use; and serve a coordinating function for new initiatives that should be used by a wider segment of the public television and education communities.

The PBS Adult Learning Service (ALS) is another successful national project developed from a series of successful local initiatives. ALS grew out of local needs to serve adult students who could not or would not go to a college campus to continue their education. Most of these adults are full-time workers outside their homes; they have family responsibilities; and they want to earn college degrees. Several pioneering colleges proved that college credit courses offered via their local public television stations could be an instructionally sound and academically strong solution to this problem. For courses desired by many colleges, however, national distribution through ALS is proving to be more efficient and cost-effective than development and distribution of television courses by individual college users. Further, national distribution insures a higher quality product through the aggregation of resources and expertise. To date, over 1400 colleges and universities have used the courses distributed through ALS.

Question 10. Does PBS have a policy against a station's sale of its productions to cable?

No.

PBS does, however, have a policy requiring that programs made expressly for public television must first appear on public television. This policy is intended to assure that public television stations, which pay for these programs and/or invest substantial local funds in their promotion and broadcast, secure the full benefits of the programs' television "premiere."

In the early 1980's, PBS encouraged co-productions with cable interests, which usually resulted in the cable partner's exhibiting the program first. More recently, as newspapers, magazines, and TV GUIDE have taken greater notice of cable programming, PBS has found that, when its programs are pre-released on cable, television critics will review these programs at the time of the cablecast and not subsequently at the time of the public television broadcast. From the critics' perspective, there is no distinction between cable and broadcast -- both are "television."

This is a major consideration given that public television has virtually no funds for paid advertising. Therefore, public television depends heavily on "free" publicity, such as critical reviews, to stimulate viewership. When a critic declines to re-review a program at the time of the public television broadcast, there is a direct reduction in viewership for the public television broadcast, and this, in turn, has significant implications for public television membership, as well as general public approbation of and support for public television.

Once a program has completed its run on public television, and assuming the public television stations do not wish to renew the broadcast rights or commission further productions, the producer is free to sell the program to cable or any other medium.

One noteworthy exception to the above policy is PBS's practice of encouraging theatrical pre-release of certain programs. While this results in some minimal reduction in audience size later on, the publicity attendant on a theatrical release is very beneficial for the subsequent television broadcast, and television critics will review programs that have previously appeared in theaters. Thus, for example, the AMERICAN PLAYHOUSE productions of "El Norte," "The Ballad of Gregorio Cortez," "Smooth Talk," and "Stand and Deliver" were released theatrically (to great critical acclaim) prior to their "television premiere" on public television.

Question 11. Should public broadcasting continue to involve itself in the development of new technologies?

Most definitely yes. Had public television not involved itself in the development of new technologies in the past, public service television in the United States would be moribund or non-existent today. Public television's continued involvement in this area is critical to assuring that noncommercial, educational interests reap the same benefits from new technologies as their commercial counterparts. Thus, public television's purpose is not to duplicate the work that is being done in the private sector, but rather to keep abreast of those new techologies and assure that they also receive the fullest possible educational and public service application -- not just the commercial applications that drive private sector research and development efforts.

PBS is proud of its award-winning record in technology development. With the professional support of its member stations' engineers, with financial support from those stations, and with financial and technical support for particular projects from CPB and from commercial broadcasters, PBS has been a pioneer in developing new technologies to advance the art of broadcasting in general, and public service broadcasting in particular. Some of those accomplishments are listed below:

o Public television designed the "DATE" digital audio system that has made stereo simulcasts possible on public television and radio for more than a decade, and helped blaze the trail for direct stereo sound transmission for television.

o Public television played a leading role in organizing the Council for UHF Broadcasting and developing a host of improvements in the UHF signal by public and commercial broadcasters.

o Public television developed the closed captioning system that is now the industry standard, making television accessible for the first time to millions of Americans with impaired hearing; and public television is now leading the effort to develop the Descriptive Video Service for persons with impaired vision.

o Public television was the first to use satellite technology to transmit its television services to all fifty states: an undertaking that dramatically improved the scope and value of public television's service to the nation, and also had a profound effect on the subsequent development of the commercial communications industry.

o Public television has been a pioneer in developing the technology for data transmission in the vertical blanking interval of the television signal, and is now at work on further applications of that technology for instruction.

o Public television's Office of New Technology Initiatives is promoting the exchange of information among public broadcasters about emerging technologies and their applications to present and developing services.

o Public television is today playing a leading role in national and international work toward the development of high definition television and other advanced television systems.

QUESTIONS OF SENATOR PACKWOOD AND THE ANSWERS THERETO

Question 1. Mr. Christensen, I am a supporter of public broadcasting, and I would appreciate your assistance in understanding your funding needs. The President's budget proposes to freeze the CPB authorization at $214 million. You have asked for substantially more than that. Can you give me specific reasons why the authorization should be higher than the President's request?

Freezing the CPB authorization at $214 million would have a catastrophic effect on public television. First, it would do grave damage to public television's ability to maintain its present level of service to the American people. Second, it would drastically impair public television's ability to replace the public television satellite interconnection system, which it must do by 1991. Finally, it would make it impossible for public broadcasting to undertake any new programming initiatives to meet critical national needs in the 1990's.

1. CPB and NAPTS, with assistance from PBS and others, have analyzed present services and trends in costs, and estimate that a minimum of $275 million in federal appropriations will be required just to maintain public television's current services in 1991. An authorization frozen at $214 million would represent a shortfall of more than 20% from that minimum level. Moreover, that damage would be multiplied because of the relationship between federal and non-federal support. Freezing the federal authorization would deliver a negative message about public broadcasting to state and local authorities, the private sector, and the general public; that message, together with the deterioration in program service that would result from such limited federal support, would probably result in a corresponding decline in non-federal support.

Diminished federal and non-federal support would hit hardest where it hurts most: programming. With the basic public television infrastructure now in place, public broadcasters have been able to invest the preponderance of new funds in program production and delivery. Thus, when there was a significant increase in the federal appropriation in fiscal year 1987, the stations and CPB were able to establish the Program Challenge Fund, which has already become a significant resource for developing major new programs.

Conversely, when there was a significant cut in federal support in the early 1980's, the greatest impact was on stations' ability to finance national and local programs. Faced with severe reductions in their discretionary funds, stations have little choice but to curtail their present program services and to defer or cancel new programs still in development to meet more pressing operational needs.

2. A freeze at the $214 million level would mean that there would be no federal assistance for replacement of the public television satellite system. That system is public television's lifeline; without it, there is no cost-effective means of making programs universally available to stations. When our present satellite reaches the end of its useful life and is taken out of service in 1991, public broadcasting will have no option but to replace it. With no federal support for that purpose, the replacement options would be severely limited. The likely result would be (1) a substantial reduction in the technical quality, capacity, flexibility, and reach of the replacement system; (2) a substantial increase in public broadcasting's debt in order to finance the interconnection system; and (3) a further, drastic curtailment of the present level of programming and services.

3. Damaging as the consequences of a freeze at the $214 million level would be for public television's present program services and satellite replacement, perhaps the most tragic consequence would be the lost opportunity to employ this national resource in a determined assault on the nation's critical national needs in the 1990's.

Freezing the authorization would preclude any enhancement of public television's general audience program service -- including news analysis, documentaries and public affairs programs; coverage of national and local governmental issues and proceedings; programs that enable all Americans to share the rich diversity of our cultural heritage; and programs that honor rather than exploit our children -- and force public television to forego important initiatives in the use of television for public education, including instructional programs for elementary, secondary, college and adult learners.

PBS is proud of its present general audience service, but we recognize that we have not yet begun to realize public television's full potential. Our goal remains to provide a service of unprecedented scope and depth in a broad range of program areas -- news and public affairs, community outreach and community service, science and natural history, American drama, music and dance, the visual arts, and children's and family programs -- every day of the week throughout the year, for all Americans regardless of their means. The best of public television's present programming now demonstrates the potential of public television for superior public service; funding at the level requested by NAPTS will enable public television to do consistently what it now has the resources to do only occasionally.

Although public television has provided an increasingly important service to education in recent years, additional resources would enable it to do much more to support public education's critical role in assuring America's continued prosperity, security, and way of life. At the requested authorization level, public television would embark on a fundamental, across-the-board initiative to expand its support for education through new programs, teaching materials, support services and delivery systems for: children and youth in schools and at home; adult literacy, job skills, and career training; college courses via television; public awareness of educational issues and needs; and teacher training.

In sum, authorization at the requested level ($442 million) would permit the nation to capitalize on the investment that it has already made in public broadcasting by bringing this powerful instrument to bear on our most critical national needs in the last decade of the twentieth century. Freezing the authorization for the next five years at the present level ($214 million), with no provision for satellite replacement, would default on the promise of public television and decimate its present service.

Question 2. There has been considerable controversy about whether PBS will be scrambling its signal. Can you please clarify whether PBS will scramble?

PBS's goal is to provide quality programming to all Americans, and therefore it is taking special steps to assure that rural America continues to have access to PBS programs. In particular, PBS has taken pains to assure that its policies regarding the issues of encoding and encrypting its satellite signal are as responsive as possible to the concerns of home dish owners. Those policies, and the technical and proprietary considerations that they are designed to address, are described below.

In 1978, PBS became the first in the United States to distribute television programming nationwide via satellite. Today, PBS operates four transponders on WESTAR IV on behalf of the entire public television system. PBS uses the satellite to distribute such well-known public television staples as WALL STREET WEEK, MASTERPIECE THEATRE, and SESAME STREET, together with other programs that are collectively known as the PBS National Program Service (NPS). Much of PBS's transponder time is used to transmit multiple feeds of the same NPS program to PBS member stations in different time zones at different times of the day.

In April 1988, PBS will begin to deliver programs to its member stations using General Instrument's Videocipher II (VC-II) technology. VC-II is a transmission system that will permit the inexpensive encoding of digital stereo sound in the broadcast signal. A by-product of the stereo encoding process is that it also encodes the video signal. Therefore, PBS will continue to broadcast an unencoded transmission of every program in the National Program Service, so that dish owners who do not own VC-II decoders will be able to continue to receive all of the NPS programs. PBS is providing satellite dish magazines with a program schedule to assist dish owners in locating these unencoded NPS programs. The majority of the unencoded transmissions will be on WESTAR IV transponder 9D (channel 17).

Cable systems using the VC-II technology to encrypt or "scramble" their transmissions actually take a step beyond what PBS will be doing with the National Program Service

programs. To encrypt, they embed a secret electronic key in the signal, which requires an authorization signal from the transmitting source to let the receiver process the signal. PBS is not embedding such a key in the National Program Service feeds. This means that anyone with a VC-II decoder unit will be able to receive these transmissions and enjoy high-quality sound without special authorization. VC-II consumer units are now sold for approximately $400, and are increasingly offered as a built-in feature on home satellite systems. The VC-II technology is becoming the technology of choice for cable systems, and widespread consumer use of VC-II decoders to receive cable services will enable those same home dish owners to receive PBS's stereo transmissions for the first time.

PBS has long been committed to stereo as one of the ways in which it can provide viewers with the highest quality television possible. In the mid-1970s, PBS developed the first technology for distributing a stereo signal via satellite, a system known as DATE (Digital Audio for TElevision). Because of its high cost, DATE was never widely used by public television stations, and DATE equipment is now obsolete. After searching for a better way to distribute stereo programming, PBS concluded that the VC-II system would be ideally suited to the task, even though it was not developed primarily for that purpose. The other features of the VC-II technology will, coincidentally, enable PBS to protect certain private communications with its member stations and certain proprietary programs that are not part of the regular PBS program schedule.

Besides distributing National Program Service programs, the PBS satellite system has other uses. Public television stations and organizations use the satellite for private communications with each other, much as two people would use the telephone. These communications include occasional teleconferences, previews of future programs (broadcast rights to which may not yet be in effect), and other private communications. These private communications were never intended for broadcast, so VC-II technology will also be used to protect them from unauthorized reception by encryption.

Second, the satellite delivers some specialized services that return money to public television to help pay for those services and to offset other programming, education services, and operating costs. Public television has developed these proprietary services at the behest of Congress, which has directed public television and public radio to seek new sources of revenue. For example, the PBS National Narrowcast Service provides training courses and other job-related programs to businesses and schools for a fee. To be economically viable, these kinds of specialized services must be secured from unauthorized interception as well.

The bottom line, however, is that the entire PBS national program schedule can and will continue to be seen in the clear.

Question 3. Mr. Christensen, the Peat Marwick study that you submitted with your testimony estimates that it will cost between $63 and $106 million to replace the existing satellite interconnection system, and $139 and $268 million to replace and upgrade the system. Can you help me understand why an authorization of $200 million would be justified?

The requested $200 million is intended to provide for the replacement of both the public television and public radio interconnection systems. At this stage, it is difficult to estimate satellite replacement costs with any precision; therefore, the estimates provided for public television were for cost ranges of $63 to $268 million, depending upon the technical configuration of the system to be selected. Public radio has estimated the cost of its replacement system at between $40 and $66.5 million. Taking the average of the costs estimated for television and for radio, the total cost of the replacement interconnection systems would be over $218 million.

If public broadcasting is to continue to expand its programming and other services, as well as provide services of the highest technical quality during the next decade, it is essential that the satellite replacement systems acquired by public television and radio be adequate to support those efforts. Merely replacing the existing systems with the same capacity and technology will not be enough. More capacity and newer, more advanced technology is needed to support enhanced and expanded programming and education services in the next decade. The requested $200 million would allow public television to assure that its service to the public reflects at least the same quality and technological advances that are available from other sources.

Senator INOUYE. Mr. Bennet.

STATEMENT OF DOUGLAS J. BENNET, PRESIDENT, NATIONAL PUBLIC RADIO

Mr. BENNET. Thank you, Mr. Chairman.

I want to reiterate my colleagues' thanks to you and to the committee for not only the support for public broadcasting, but the time and energy and personal commitment and political leadership and cooperation and guidance and suggestions and help that you have put into getting us past the eight year wrangle that Senator Holling referred to. It has been possibly more important to us than you can possibly recognize to have the sounding board and the political leadership and the responsiveness.

And so, with heartfelt thanks from public radio and from the 350 public stations that National Public Radio directly represents, I just want to make three points today:

One is that public radio is a partnership of Federal, state, and local governments, universities, foundations, corporations, individual listeners, all of these sources acting together to support quality programming which would not otherwise be available in our country.

Public radio's support is about half private and half public. In fiscal 1986, about one million individual listeners voluntarily contributed $46 million, which is 20 percent of public radio income. That is the largest percentage of single source of income for public radio. The Federal contribution through CPB is now 15 percent.

The second point is that this partnership is enjoying a larger and larger audience. We are now talking about eleven million listeners a week in the CPB-qualified system. They are tuning in for programming that, in my unbiased opinion, is improving.

The news and information programming is stronger and broader. The cultural programming that we are trying to do at NPR is aimed at giving audiences a sense of a powerful American culture. The resources are clearly there. It is a question of letting people hear them, and we have made some strides in that in recent years, of which we are extremely proud.

A third point is that we seek three goals which Don Ledwig has already mentioned for the funding, the additional funding that we have asked for. All of the goals build on the success we have had in creating a grassroots-based public radio system.

The goals are: first, to reinforce the existing CPB qualified stations to assure that they continue to strengthen both their local and national services in their communities; second, to reach unserved and underserved audiences with diversified services by increasing substantially of non-commercial stations qualified for CPB support; and finally, replacement of the public radio satellite.

I cannot emphasize how critically important that satellite interconnection system is to what we have achieved and to the future of public broadcasting.

With that, Mr. Chairman, I will simply refer you to my full statement. Thank you.

[The statement and questions and answers follow:]

STATEMENT OF DOUGLAS J. BENNET, PRESIDENT, NATIONAL PUBLIC RADIO

Mr. Chairman it is a pleasure to be here today on behalf of National Public Radio and its over 340 member stations. I want to begin by endorsing the funding levels included in S. 2114. The financial commitment envisioned by this bill will help public radio fulfill our mission of expanding service to all Americans; and it ensures that public broadcasters can continue to do what Congress has vigorously encouraged in the past -- build an informational and cultural service for our country.

PUBLIC RADIO TODAY

The public radio system has met the challenge presented by Congress 20 years ago in the Public Broadcasting Act to bring quality, alternative programming to the American people. There are now 295 CPB-qualified public radio stations in 49 states. Those stations, all connected by satellite, serve 11.2 million listeners a week. Over and over, listeners I meet around the country say the same thing: "Your programs are my lifeline."

Public radio is a remarkable partnership of federal, state and local governments, universities, foundations, corporations and individual listeners, all acting together to support quality programming which would not otherwise be available in our country. Public radio's support is now about half private and half public. In FY 1986, close to one million individual listeners voluntarily contributed $46 million, 20 percent of public radio's revenue, to their local stations. Listeners have now become our largest single source of support. The federal contribution through CPB is now about 15 percent of station income. In 1986, 62 percent of the $25 million distributed to CPB-qualified public radio stations was used for programming -- 32 percent used for local programming,

and 25 percent for national programming. The remaining funds were used for promotion, outreach, public participation and station administration. The Federal participation is the bedrock contribution which enables stations to multiply support from other sources and support the quality national programming which has become our hallmark.

Every afternoon one million Americans now listen to ALL THINGS CONSIDERED. Overall, the weekly audience for NPR news programs is 5,840,000 and growing. More and more Americans are turning to public radio for in-depth domestic and international news coverage, interviews with newsmakers, and features and commentaries on political, economic, and social trends. NPR's live coverage of the Iran Contra hearings during the summer and the Bork confirmation hearings this fall attracted wide carriage by member stations, and broad support from listeners.

Support from the Corporation for Public Broadcasting has made possible new programming initiatives as well. One public station in Baltimore, WJHU, is producing a new national documentary series, SOUNDPRINT, which provides funding and state-of-the-art facility and production assistance for works of accomplished and emerging independent producers; American Public Radio is distributing the new live entertainment program, GOOD EVENING, produced by Minnesota Public Radio; NPR brought seven-day-a-week news and information programming to its members with the addition of Saturday and Sunday morning WEEKEND EDITION, and has also begun the innovative classical music and arts features program PERFORMANCE TODAY.

Over the last three years public radio has reasserted its leadership role in creating a national awareness of American cultural treasures in music and drama, and has stimulated interest in and greater appreciation for American performers,

conductors, directors, producers and organizations. NPR's PERFORMANCE TODAY is a perfect example of the national/local partnership that characterizes the public radio system. PEFORMANCE TODAY is the collective product of many contributing stations and independent producers working through NPR's national production team. One goal of PERFORMANCE TODAY is to help stations serve both the local and national arts communities. A manager of one of NPR's member stations describes it this way: "Performance Today can become the 'tie that binds' us all together in a unified effort to support and develop the performing arts throughout the United States."

PERFORMANCE TODAY provides a nationwide audience for performances from summer music festivals in Cabrillo, California; Rockport, Maine; Chamber Music West of San Francisco and the OK Mozart Festival of Bartlesville, Oklahoma. This fall, PERFORMANCE TODAY is presenting coverage of the LA Festival, a major international gathering of artists in all disciplines.

NPR is committed not just in words, but in action to reflecting and serving the diversity of American society. In part we are doing this with vigorous affirmative action which assures that our most widely heard services reflect the breadth of our society. In part we do it through production and acquisition of programming by, for and about ethnic and social minorities -- Black Americans, Native Americans, Pacific and Asian Americans, women, children, the elderly and disabled persons.

This year, for example, NPR began distributing the new Latin American News Service (LANS), produced by KXCR-FM in El Paso, and the National Native News Service produced by Alaska Public Radio. Both provide daily feeds each afternoon, and

LANS provides an additional weekly service each Friday afternoon. In addition, over three quarters of the programs distributed by the Department of Specialized Audiences come from producers outside of NPR, either independents or station based producers. Approximately ninety percent of these producers are minorities and/or women.

Programs produced or distributed by NPR are not public radio's only service for minority audiences. The Corporation for Public Broadcasting funds MUSIC FROM LATIN AMERICA produced by public station KERA-FM in Dallas. Public stations around the country carried six one-hour debates produced by Radio Bilingue, Inc. on the new Immigration Act. Eight additional programs are planned for 1988. CROSSROADS, an independently produced multi-cultural news feature magazine is carried nationally. MOVING TOWARDS HOME: Five Black American Poets is an independently produced series distributed by American Public Radio. Public radio's commitment to minority audiences extends to the system as a whole.

Programs offered by NPR's Department of Specialized Audiences have received many of radio's most prestigious awards. Some of DSAP's more notable series are the thirteen part series "Faces, Mirrors, Masks: 20th Century Latin American Writers"; "Children at Risk," a seven part series on child abuse and neglect; "Music From Africa To The Americas," a series of four half-hour documentaries hosted by Taj Mahal; LATINO, a half-hour documentary distributed in both Spanish and English; and the development and premier of CONNECTION, a weekly half-hour magazine on disability issues.

FUTURE DEVELOPMENT

How can Congress build on today's public radio network of excellence to meet the information and cultural needs of

Americans to the end of the century and beyond? By strengthening and expanding the diverse pattern of local stations and national programming which is at the heart of our success to date.

When Congress adopted the Public Broadcasting Act twenty years ago, radio was essentially a local medium. Network material was distributed over telephone lines or through the mail. For the first 8 years of the NPR network, that is precisely how we served the public stations.

Satellite technology has now stood traditional radio economics on its head. Network programming can be distributed instantaneously, at extremely low cost, with better than ever sound quality. Now, national programming is efficient because of economies of scale; and local programming is costly and often not as polished. Where economics is king, as it must be in commercial broadcasting, we can expect to see more and more centrally programmed material on the local airwaves, delivered uniformly across the country, interrupted locally only for weather, traffic and advertisements.

As for public radio, Congress assured that it had one of the first satellite interconnection systems in the world. That system made it possible for us to supply quality national programming to all our stations which they could not possibly produce separately. Because of our public mission, we do not want national programming to crowd out local programming in public radio. Rather, we look upon national programming as a tool to strengthen the capacity of our member stations to serve their audiences with a vibrant mix of national and local coverage. The national programming itself includes material from the stations so that it carries with it the accents and diversity of America.

This nation's public radio stations, with their local staffs, strong relationship with listeners, and links with local education, civic and arts institutions, represent an important bastion of pluralism. The national-local partnership, which Congressional support has done so much to foster, is an asset today in ways that may not even have been anticipated twenty years ago. In a high-tech tide of broadcasting homogeneity, it can help us keep track of ourselves as a people. And it is for that reason that I make my first recommendation for your consideration:

The proposed authorization will permit CPB to increase the federal share of the average station's budget from the present level of 15 percent to about 25 percent to reinforce the stations' ability to produce locally. Stronger local production will mean better material for inclusion in our national program vehicles. It will mean larger local audiences through the day, more support from listeners and underwriters, and a stronger base of financial support for national programming.

Beyond strengthening existing local stations, public radio has an opportunity to serve more and different groups of Americans. Today about 15 percent of Americans are out of range of any CPB qualified station. In most markets, there is only one CPB qualified station. In some markets there may be two or even more CPB qualified stations, and perhaps 30-40 commercial stations. Yet even that number of commercial stations does not meet the service needs of a diverse audience -- particularly those of the elderly, ethnic minorities and children. Neither can just one or two public radio stations.

It is a fact of life that any single radio station can put out just one stream of programming at a time, and broadcasters try to make these streams relatively consistent

to hold audience. Many more Americans, including the elderly, ethnic minorities and children, can be served by public radio if we can substantially increase the number of CPB qualified stations. The same kind of partnership, and the same combination of national and local programming that has made a success of round one, can work again in the years ahead.

Thirteen hundred stations hold non-commercial radio licenses from the FCC, of which only 295 are CPB-qualified. The remaining one thousand stations are an eclectic mix of university and college stations, community licensees, and religious broadcasters. Most of these stations operate with limited staffs and budgets, and have only minimal audience. But collectively they control an enormous quantity of non-commercial spectrum space, and represent a multi-million dollar investment in facilities and programming.

In addition to extending service by existing CPB-qualified stations through the use of translators and other technologies, we believe many of these stations outside the CPB system would welcome the opportunity to offer the effective, high quality program service offered by the public radio system. Recently, NPR has reduced membership dues and interconnection fees to encourage increased participation in the system by minority and low income stations. Such stations are opportunities for some form of incorporation into the public radio system. Expansion of the system would require:

- Upgrading existing stations to CPB's full service, CSG qualification standards;

- Extension of interconnection services to enable these stations to draw from public radio's extensive and growing repertory of national programming; and

- Production and distribution of one or more major programming blocks targeted for particular audience segments (e.g., Latino service; programming for the elderly) for use by such stations.

Expansion of the outlets for public radio's national programming will be a boon to the system's producers, including the growing number of independents and stations that produce for national distribution. Additional outlets will expand the market for program producers, providing both the prospect of additional revenue from acquisition fees and a more attractive carriage report to take to underwriters and foundations.

NPR PROGRAMMING

News and Information

NPR programming, in the past funded primarily by CPB, has been critically important in drawing the public radio network together and providing a unique and otherwise unavailable service to more Americans. We have just completed the first year under a new funding structure in which the stations have assumed responsibility for funding NPR programming directly. They did so last year at a level higher than at any time since the CPB funding cut in FY 1983. We are convinced that this new funding structure will continue to meet the national programming goals which have been central to the Public Broadcasting Act, and indeed produce an even broader menu of national service in the future.

NPR will continue to produce its in-depth news and public affairs magazines seven days a week. We are now developing an hourly newscast service that will provide member stations and their listeners with regular news updates throughout the day.

In addition to summarizing the major news developments of the hour, we will experiment with presentations of news analysis and background within the hourly service, to complement the reports of breaking news stories. The largest component of the hourly news service budget is for the acquisition of reports from member stations and independent reporters around the country.

National Public Radio will increase its service to minority audiences. In addition to a deliberate effort to integrate coverage and stories of special interest to minority audiences into our daily news magazines, NPR is now producing or will soon begin to produce programming of special interest to unserved and underserved audiences. Beginning this summer, NPR will offer a new Hispanic News Service -- a daily 14 minute program which will include both hard news coverage and features on trends, issues, and cultural developments of interest to the Hispanic community. The new Hispanic news service, like the hourly newscasts, will rely for the most part on acquisition of reports from member stations and from independent reporters from around the country.

Starting in the fall, NPR will initiate a series of special projects, partly supported by CPB. Each will provide eight or more hours of programming on a single topic of wide public interest. The program presentation will be evolutionary in that background and feature material on the topic of choice will be broadcast in the daily news magazines leading up to a special programming event. The centerpiece of each of these single topic efforts will be a live interactive multi-hour program, which we will encourage our member stations to carry live. In addition each of the topics will be supported by a major and, for NPR, unprecedented outreach effort to associate our program production with national, regional and local public service and interested organizations

around the country that will work with us in the public education elements of each project.

The programming will be produced by National Public Radio with elements acquired from minority, independent and station based producers. These programming and outreach elements will all culminate in an intensive seven-day period of on-air and outreach activity during which all of the programming will be distributed to stations to enable them to broadcast special programming every day of the week, coinciding with the outreach and public service effort, which will also reach its peak that week.

Cultural Programming

As additional stations come into CPB qualification, more programming of greater diversity, reflecting the various cultural variety of America will be required. We believe that individual stations will specialize in different formats such as classical music, jazz, or folk music. To help augment the programming of those added stations, NPR's goal is the distribution of 24 hours of cultural programming each day. This service will help member stations reinforce local schedules by increasing the quality and range of choices available.

The new national offerings will provide streams of programming to support public radio's mission to create a greater appreciation for, and understanding of, American music, musicians, conductors, jazz artists, folk artists, dramatists, and all others actively involved in the arts in the United States.

A model for new program services exists in our daily program on the arts, PERFORMANCE TODAY. PERFORMANCE TODAY is

a timely presentation featuring new releases, live concert music, and arts stories from throughout the United States and the world. Between now and 1993 NPR will add similar program services in new music, jazz, drama, entertainment/variety, and a cultural call-in program.

Two new trends are surfacing which may serve as models for program services. One trend is toward more new music. NEW SOUNDS, produced by WNYC in New York, is a precursor program which has attracted unusually large audiences. Another trend is interest in comedy. A program representing this trend is CAR TALK, produced by WBUR in Boston. This is a call-in program dealing with the problems each of us experiences with automobiles.

An important NPR goal is to create new sources of production within the public radio system, involving both member stations and independent producers. NPR is engaged in a continued pursuit of excellence and timeliness in the programming distributed. The projected 24 hour daily service will offer NPR stations a diversity of program selections and an increased number of hours of excellent national cultural program offerings produced or acquired from diverse sources.

TRAINING

The national/local partnership that provides public radio service requires a well trained and ever expanding pool of talent. Training has been an important part of NPR's activities for many years. Through its system training programs NPR identifies talent throughout the system including individuals not involved in public radio, diversifies its program offerings to better meet its public mission and develops the skills of public radio personnel. In addition to its various training opportunities, NPR's training office has

completed an extensive research project to assess the training needs of station personnel and independent producers. Funded in part with a grant from the Corporation for Public Broadcasting, the research information is being used to develop and implement a five-year comprehensive training program for the public radio system beginning in 1988.

Based on NPR's success with its News Residency project last year, NPR is continuing the residency project for six minority public radio journalists. The program's goal is to broaden the scope of the participant's experience by familiarizing him or her with the reporting, editing and production process at NPR. This training program also helps increase the number of submissions to NPR's newsmagazines from public radio journalists throughout the system and improves the quality of local news at stations. Two of the residents selected for this year's program are from the National Native News Service (Alaska) and the Latin American News Service (El Paso), two outstanding services we have recently brought into NPR's national program service. Of the six participants, one is black, two are Hispanics, two are Native Americans, and one is Asian; four are women and two are men. The Department of Specialized Audiences, with a $10,000 grant from the National Endowment of the Arts, recently concluded a two week minority residency program. Seven producers which included three Hispanics, two Black and two Native Americans participated in the program.

In addition to the news residency, NPR also offers Music Recording, Engineering and Long Range Planning Workshops. Approximately 70 public radio producers and recording engineers attended the '87 music recording workshops that include hands-on and on-location live recording sessions. Thirty three public radio engineers attended a three day engineering seminar on satellite operations and digital audio

technology. Another 40 public radio personnel from around the country attended a long range planning management session. Due to a recruitment effort and NPR's financial assistance program which supports minority and women participation in training events, 30 percent of the participants in the engineering workshops were minorities and women.

The research accumulated in development of the five year plan provides the tools required for NPR to establish a structure for a stable and continuing training service. Its goal is to contribute to the stability, growth, and overall quality of the public radio system by providing training which measurably improves station operations and independent productions.

REPLACEMENT OF THE SATELLITE INTERCONNECTION SYSTEM

One final word about system expansion and diversification: the satellite interconnection system will be pivotal in the future as it has been in the past. The public radio system as we know it today could not exist without the satellite. Radio's unique amalgam of national and local programming would not exist without the satellite. The satellite system is the pipeline connecting major national producing and distributing organizations and hundreds of independent producers with public radio stations and audiences throughout the country. The interconnection system permits public radio to transmit multiple streams of programming to a greatly expanded system and provide both programming of mass appeal as well as programming targeted to individual communities of interest.

The projected life of the present public radio interconnection system ends in 1991. Before 1979, NPR distributed a single channel of programming by means of

inferior quality telephone lines, plus mailing and recycling of tapes for high quality audio prorams. With the satellite system, stations have instantaneous national distribution of multiple channels of high quality programming. In 1987, the system linked together approximately 250 program suppliers with more than 300 public radio stations. In addition, more than 20,000 hours of public radio programming was transmitted over the system.

The public radio satellite system currently includes 20 satellite uplinks for transmitting programming and 289 receive terminals, or downlinks, located at public radio stations throughout the country. Two transportable uplinks are also available for on-site transmission of events at remote locations throughout the country. Programs are distributed 24 hours a day, 7 days a week, over a transponder on the Westar IV satellite.

The fundamental characteristics of the existing satellite distribution system remain sound and will form the core of the future system, although a certain amount of refurbishment and replacement of aged equipment will be required for cost-effective and efficient operation. Satellite technology continues to be the most viable means of transmitting high quality audio to a broacast network such as public radio's, and at this time C-band satellites appear to be the most cost-effective for meeting public radio's future requirements.

The future system will also need the flexibility to incorporate adaptations of new technology to accommodate the evolving needs of users of the public radio distribution system. Digital formats are being explored for improvements in audio quality, and efforts will be made to increase the speed and efficiency of communications with stations and improve operating data support systems. In addition, the two

degree spacing of satellites in the orbital arc may require extensive replacement of antennas.

Providers of satellite capacity are predicting sharp increases in satellite prices as availability decreases. Recent estimates show that broadcast demand for satellites will grow 6-8 percent each year for the next decade. Some firms are reluctant to commit to building new satellites until they have signed contracts for the bulk of available transponders. Given this new environment, we will need to begin making firm commitments to vendors as early as 1989.

Public radio stations which participate in the satellite system have already begun setting aside funds for the next generation system. The system expects to have accumulated $2-2.5 million to be used as a down payment for its future satellite capacity by mid-FY 1989. Given the projected cost of replacing the existing system this amount will certainly not be enough. Given the Touche Ross estimates of probable costs as high as $65 million, public radio will need the full amount authorized in S. 2114 as soon as possible. The fact that we will need to begin making firm commitments to vendors as early as 1989, the potential for discount pricing with early commitments, the need for collateral to secure interim financing until Congressional appropriations are available, the need to minimize the costs of debt service on interim financing all argue for an early commitment of the $200 million provided in this legislation.

PUBLIC TELECOMMUNICATIONS FACILITIES PROGRAM

The Public Telecommunications Facilities Program (PTFP) provides matching grants to help public radio and television licensees purchase equipment to put new stations on the air, or replace worn-out or obsolete equipment in existing

stations. It has been a key factor in building a public broadcasting system that now reaches 95 percent of the American people with a public television signal, and a little over 80 percent of the population with a local public radio signal. The PTFP continues to be of vital importance to the public radio system. Each year proposals totaling roughly four times the amount of available funds are submitted to the program.

While public radio stations are raising an increasing portion of their annual budgets from non-federal sources -- federal funds provide an average of only 15 percent of station budgets -- major equipment purchases are still beyond the reach of the majority of stations. As non-profit organizations which must raise operating funds anew each year, most stations are unable to aggregate the thousands of dollars needed to purchase or replace major pieces of equipment.

The continuing need for the PTFP is demonstrated by the historic and current imbalance between available funds and grant requests. Present funding levels don't begin to fill the system's needs. In FY 1987, PTFP considered 322 applications, totalling $82.9 million. One hundred and fifteen grants were awarded totalling only $19.2 million. This represents only 23 percent of the dollars requested and 35.7 percent of the applications considered. If the appropriated level had been $36 million, the funding level we are seeking for FY 1989, PTFP would still have only been able to provide 43 percent of the dollars requested.

While the grants to public radio stations are not large, they are important seed money for capital replacement projects. In FY 1987, the average public radio grant of $67,320 represented only 58 percent of the cost of the average project funded. Those federal funds mean a lot to the

communities and stations which benefit from them, especially when you consider that in 1986 over half of the CPB-qualified stations had budgets of less than $450,000. And that does not include the many non CPB-qualified stations which are also eligible for these funds, and who on the whole have even smaller budgets.

The Public Telecommunications Facilities Program and its predecessor program have invested over $300 million in purchasing and maintaining the public broadcasting station equipment which together makes up the public broadcasting system in this country. Public television and radio use these facilities to provide quality cultural, educational and news programming across the country, from rural communitites and remote Alaskan villages to our largest urban centers. Public broadcasting's strong record of efficient, effective use of federal funds -- and proven ability to leverage non-federal resources with those funds -- merits continued support.

Mr. Chairman, we have discussed public radio's current service to the American people and we have also discussed our goals for the future. All of this was done with the help and support of the Congress and the American people. We believe that the public radio system, with its unique combination of distinguished national programming and local involvement, coupled with its vision for the future, merits continued support. We will strive in the next twenty years to bring the quality programming for which we are known to unserved and underserved audiences while at the same time increase the number of people listening to our mainstream programming.

QUESTIONS OF SENATOR INOUYE AND THE ANSWERS THERETO

Q. Mr. Bennet, please outline how NPR intends to spend the funds requested in your testimony.

A. Public radio has three goals for the additional funds we seek. All three of these goals build from the success we have had in creating the grass roots based public radio system we know today. The goals are 1) to reinforce the existing CPB-qualified stations to assure that they continue to strengthen both their local and national services to their communities; 2) to reach unserved and underserved audiences with diversified services by increasing substantially the number of non-commercial stations qualified for CPB support; and 3) replacement of the public radio satellite system.

We recommend increasing the CPB share of station support from 15 percent to 25 percent. At a time of increasing media homogenization across the country, strong, independent local public radio stations, providing a vibrant mix of non-commercial local and national programmin, are valuable national assets. Many more Americans, including the elderly, ethnic minorities, children and the handicapped can be better served by public radio if we can substantially increase the number of CPB-qualified stations. The same kind of partnership, and the same combination of national and local programming that has made the existing system successful will work for the expanded system. Radio's unique amalgam of national and local programming would not exist without the satellite. The satellite system is the pipeline connecting major national producing and distributing organizations and hundreds of independent producers with public radio stations and audiences throughout the country.

Q. The funding levels set forth in S.2114 are significantly lower than you have requested. How will the plans you have just outlined be revised if S. 2114 is passed?

A. The timing of implementing the public radio goals is all that would be affected by passage of S. 2114. Bringing new stations into qualification would happen over a longer period of time as would increasing the CPB contribution to stations budgets. The programming streams needed to support this increased demand by new and different audiences would also be brought on over a longer time period. Passage of S. 2114 would in no way damage the long term goals identified above -- just slow the process. Replacement of the satellite

interconnection system is, of course, another matter. The $200 million requested by the public broadcasting community and included in the Senate and House bills is absolutely crucial to public broadcasting's ability to continue to provide integrated local and national programming to our audiences.

Q. What would be the impact of the President's proposal to limit funding to $214 million in 1991? What affect would this funding level have on the replacement of the satellite interconnection system?

A. The President's proposal to reappropriate funds from FY 1989-90 and add only $181.4 million in new funding in FY 1991 would freeze federal support for public broadcasting at seriously inadequate funding levels over a five year period. Service provided to the American people by the pubilc radio community would constrict rather than expand to include service to audiences now either unserved or underserved. The President's proposal in addition to freezing funding over five years does not provide any funds for replacement of the satellite interconnection system.

Funds provided by CPB directly support three functions of public radio stations: 1) operational and programming support, 2) grants to help stations produce or purchase programming for local distribution, and 3) the production of innovative programming that might not otherwise be financially viable in the public radio marketplace. If the President's proposal is adopted the FY 1991 support level would be the same as the FY 1988 level to provide support for the categories identified above and replace the public radio satellite interconnection system. The level of service provided today would be seriously eroded and a choice would have to be made between replacement of the satellite interconnection system and local and national program production. The level of funding proposed would not fund either choice adequately.

Q. Will the request for $200 million to replace the satellite interconnection system cover the entire cost of the system?

A. The total cost of the replacement interconnection system is not yet precisely known. Public radio and television are considering a variety of technology options that could be utilized to meet the interconnection needs of public

broadcasting during the next decade. The systems under consideration include some whose costs exceed $200 million.

Q. It is my understanding that the actual cost to replace the Satellite Interconnection System has not been determined. Where do you anticipate getting additional funds for the system if it costs more than $200 million?

A. Should the actual cost of the replacement system exceed $200 million, we anticipate seeking additional funds through bank or vendor financing, corporate and foundation grants, or station assessments.

A. What percentage of the $200 million will go to radio and what percentage will go to television?

A. A predetermined percentage split of the funds between radio and television has not been proposed. Instead, it has been proposed that the funds be divided on a basis proportionate to the total costs of the system finally selected by radio and television.

Q. Aproximately how much will it cost to upgrade the ground system for radio?

A. The ground segment costs for the systems under consideration by public radio range between $14-44 million.

Q. What are the criteria for radio stations to qualify for fundng from NPR? Have those standards been evaluated recently?

NPR does not provide funding for member stations. CPB is the recipient of federal funds and performs that function. NPR is a private, not-for-profit, tax-exempt membership organization consisting of 354 member stations governed by a 17-member Board of Directors. NPR receives occassional special project grants from CPB but no operational funding. The NPR Board determines NPR's annual operating budget, and sets the dues to be paid by the membership. The Board is responsible to NPR member stations, which are licensed to a variety of organizations, including universities, community groups and school boards throughout the United States.

National Public Radio in addition to producing, acquires programming and program segments from member stations, independent producers and other program suppliers for use in its own programming and as stand alone offerings. For the first time since 1983 the NPR news and information department

just revised its acquisition rates to levels more competitive with other public radio entities. These rates affect programs pieces heard on the daily newsmagazines and those offered as part of the national program service. Types of segments acquired include newsspots, special reports, commentaries, journalist two-ways and pieces assigned and edited by NPR. The rates are still slightly lower than NPR's major competitors but the realignment will enable NPR to acquire programming for diverse sources.

Q. It has been suggested that the funding appropriated for CPB administrative costs, training, research and other programs should be reduced, which would increase the money available for programming. What are your views on this proposal.

A. CPB's statutory share should not be reduced, at least for the time being. Aggregated resources are needed for research, training, copyright payments and associated expenses, interconnecting smaller non-qualified stations that would extend service to unserved or underserved audiences, and for other purposes which benefit the whole system and which the stations cannot efficiently handle themselves. In years that CPB's share of the appropriations exceed the funds necessary to support these system-wide services, the additional dollars should be distributed to public radio stations for production or acquisition of programming.

Q. Do independent producers in the radio industry express the same frustrations as independent television producers?

The radio independents have similar concerns to their television counterparts but, in addition, have a concern specific to radio. The radio independents have for some time felt that the aqcuisition rates paid for programs and segments used in NPR's newsmagazines were too low and didn't pay a living wage. In March of 1988 for the first time since 1983 NPR was able to increase its acquisition rates. The new rates are still slightly lower than those of our competitors but bring NPR into alignment with other program producers. Independents receive the largest share of funding from the NPR acquisition budget. The new table covers rates for reporter pieces, newsspots, commentary, journalist two-ways and 100 percent of the cost for pieces NPR both assigns and edits. In addition, NPR has tightened the procedure for paying independents to assure that payment is made in a timely fashion.

NPR believes that expansion of the outlets for public radio's national programming as recommended in our testimony will be a boon to the system's producers, including the growing number of independents and stations that produce for national distribution. Additional outlets will expand the market for program producers, providing both the prospect of additional revenue from acquisition fees and a more attractive carriage report to take to underwriters and foundations.

Q. Can you tell me what if any programs you have produced or broadcast that are aimed at gifted children?

NPR has not produced or broadcast programs aimed at gifted children specifically. However, the series "Children's Radio Theater" is being distributed by NPR on a weekly basis throughout the 1988 calendar year. These half-hour programs feature radio plays and stories that are engaging, stimulating, and entertaining for children in grades 4 through junior high. These programs are particularly attractive to gifted children. In October, 1988 NPR will distribute a six-part series for children called "Word Stories," produced by independent producer Pam Brooke and funded in part by the National Humanities. These half-hour programs will have particular appeal for gifted students.

Carol Numrich in cooperation with NPR developed the program "Consider the Issues" for high intermediate/advanced students of English as a second language. "Consider the Issues" is a new and exciting approach to listening comprehension and discussion. Each of the 12 units is based on an authentic radio broadcast taken from NPR's "All Things Considered" and "Morning Edition." By using material produced for native speakers, students are not only presented with interesting and relevant content, but also with unedited everyday speech, including hesitations, redundancies, and various dialectical patterns. Exercises develop essential strategies such as predicting, looking at language, understanding main ideas and points of view, and focusing on detail. Students gain a critical understanding of American values and culture as they fine-tune their listening skills.

Q. Has NPR considered the possibility of using new technologies such as subcarrier authorizations services to serve the needs of gifted children?

A. NPR is always working on news ways to extend the reach of the many services offered by public radio. Many NPR member stations use their subcarrier frequencies to provide service

to the print-handicapped community, those confined to hospitals and nursing homes and other groups with a defined interest. Uses of subcarriers are determined at the local station level.

Q. Mr. Bennet, I understand that NPR is planning to start a Hispanic news service that will be broadcast five days a week. That service is scheduled to start May 2, 1988. Why the delay in the commencement of the Hispanic news service?

How many programs does NPR fund that broadcast in Spanish?

How many English language programs geared toward the Hispanic community does NPR carry?

How much of your funding does NPR plan to devote to Hispanic programming in 1988?

Does NPR plan on increasing the percentage of its funding devoted to Hispanic programming in 1991 through 1993?

How many NPR member stations provide programming directed to Hispanics?

How many NPR member stations provide Spanish language programming?

A. We hope to meet the May 2 deadline, but may delay a few weeks if necessary to assure adequate consultation and marketing.

The service is a daily 14 minute program which will include both hard news and features on trends, issues, and cultural developments of interest to the Hispanic community. The format will allow stations to schedule it in segments, to create a five minute daily program, plus either a nine minute daily module or 45 minutes of weekly module material -- whichever format better meets the needs of its local community.

In addition to the new Hispanic news service, NPR distributes the Latin American News Service (LANS) a daily English language program about Latin America of interest to the Hispanic Community. The service is produced at KXCR-FM in El Paso, Texas. The program is produced in both Spanish and English. The producers of the program offered NPR

distribution rights to the English language version; they are seeking commercial distribution of the spanish language version.

"Latino" a half-hour documentary distributed in English and Spanish is offered to stations once a month. One is not simply a translation of the other. The series includes profiles, documentaries, interviews and in-depth reports on issues of interest to the Hispanic community. In September of last year LATINO presented a half-hour bilingual program "Mexico: The Earthquake," an NPR documentary on how the city was coping after the earthquake.

NPR produces special programming for use by stations during September, Hispanic Heritage Week. Programs range from performance to documentary. Example: "Portraits of Hispanic America," all five half-hour documentaries hosted by actor Rene Enriquez ("Hill Street Blues"). National Public Radio presented five programs which highlight the variety of Latin music hosted by Emmy-award winner Edward James Olmos ("Miami Vice's Lt. Castillo). This series includes "Los Folkloristas", "Nortena Festival", "Oas Concert", and "Dave Valentin". Cesar Romero (star of TV's "Falcon Crest") hosted five half-hour programs capturing the diversity and joy of Latin music. These program were produced in both Spanish and English. NPR PLAYHOUSE presented an encore of "FACES, MIRRORS, MASKS," the critically acclaimed series of half-hour portraits of influential Latin American writers.

"Horizons" a weekly, half-hour documentary series targeted to minority audiences has been distributed to stations since the fall of 1979. The content of all programs is about - or deals with issues of concern to -- ethnic minorities, women, disabled persons, elderly persons or children. The majority of the programs are produced by women and minorities. In September, 1986, HORIZONS producer Elizabeth Perez Luna offered public radio stations "Latin Music: A Changing sound." In August, 1987, NPR offered member stations "Profile: Celia Cruz a half-hour special about the Cuban singer.

Beginning in the fall, NPR will initiate a series of special projects, each of which will provide eight or more hours of programming on a specific topic of wide public interest. Each topic will be explored using a variety of formats and production techniques, includinng thirty- and sixty-minute documentaries, long-form live interactive programming, modules, Spanish language programs, and shorter elements within each of the regular newsmgazines. Each

project will have as an integral part of its planning and production a significant and, for NPR, unprecendented outreach program to involve member stations and interested public service organizations in each subject chosen for a project.

NPR also offers through its Cassette catalogue tapes of programs heard on your local public radio station. Recent acquisitions of interest to Hispanic audiences include:

VOICES IN EXILE (in both Spanish and English)
LUIS VALDEZ: THE MAKING OF A MEXICAN-AMERICAN PLAYWRIGHT
ILLEGAL ALIENS: AMNESTY OR DEPORTATION
NEW IMMIGRATION LAWS: DIVIDING FAMILIES
SABOR del PUEBLO (in both Spanish and English)
MEXICAN LITERATURE SINCE THE 1960s (in Spanish)
BILINGUAL EDUCATION: A VOICE OR AN ECHO?
VIVA LATINE!

This is, of course, but a sampling of cassettes available. Overall, NPR offers 28 titles concerning Hispanics, 50 title of interest to Black Americans, 42 for women, 19 for senior citizens, 16 for Native Americans, 14 for Asian Americans and 12 for the handicapped. Approximately 25 percent of NPR's 800 titles deal with minority concerns. About 30 percent of the catalog titles are acquired from member stations and independent producers.

NPR does not keep records of its member stations program schedules. We can, however, provide the Committee with information that will demonstrate that taken together the public radio stations and NPR provide quality service to Hispanic audiences. Below is a partial listing of programming targeted to Hispanic audiences provided by local public radio stations.

KANZ - Pierceville, Kansas -- Beginning in June the station will air two hours of music and local and national information programming in both Spanish and English.

KUAT - Tucson, Arizona -- "Radio Universidad" a magazine program which offer offers six hours on Sunday afternoon, predominantly in Spanish, of news, culture and science.

Received a grant from the Arizona Humanities Council for a series now airing called "Hispanics and the Constitution".

WHA - Madison, Wisconsin -- provides three hours on Saturday evening of locally produced music, news, legends and history half in English and half in Spanish.

WMUK - Kalamazoo, Michigan -- offers one hour of locally produced program in Spanish of music, calendar of events, arts and politics.

WBUR - Boston -- On Saturday evening offers 4 hours of bi-lingual African-American carribean music.

WFYI - Indianapolis -- Offers one hour of news and popular latin music produced locally in conjunction with the Hispano-American Center on Saturday mornings. Sunday evenings offer one hour of locally produced bilingual music and information.

KMUW - Wichita -- 6:30 -9:30 Saturday nights Latin music in Spanish.

KUOW - Seattle -- Weekly spanish langugae programming offered in magazine format each Sunday.

KUNM - Albuquerque -- Nine hours per week of locally produced entertainment and news. Six of the hours are in Spanish and three are in English.

WXEL - West Palm Beach -- Four hours per week of Spanish language programming -- 60 percent is locally produced and 40 percent is national.

WKAR - East Lansing -- Offers 216 hours per year of Spanish language programming - 4 hours per week on Saturday mornings. In the summer the program is offer on both Saturday and Sunday.

KLCC - Eugene -- Sunday evening from 8:30-1:00 pm offers bi-lingual programming of music and information.

KPBS - San Diego -- Five days a week from 8:00-11:00 pm offers a mixture of news and

music in Spanish.

While this is by no means a complete listing of programming targeted to Hispanic audiences it gives the Committee an idea of the different ways public radio stations serve the different constituencies that make up their local communities. Public radio stations provide specialized service of this kind to Native American, Black and other underrepresented groups in our society. In addition to services provided by NPR member stations, in FY 1987 NPR spent $409,376 in support of Hispanic programming and in FY 1988 $396,016 is being spent on this service.

Q. It appears that most of the innovation in instructional programming is occurring at the state level, but it is concentrated in a few states. What is being done to expand some of the more successful programs on a nationwide basis?

A. There is no organized mechanism at this time to coordinate the activities of the various states. Radio is not the best medium for instructional -- meaning in-school -- programming. Providing listeners with information and education about critical national problems is an integral part of pubilc radio's mission. Public radio provides the type of in depth news and information programming that makes for a better, more informed citizenry. Programming such as "Performance Today" creates a national awareness of American cultural treasures in music, drama, and a greater appreciation for American performers, conductors, directors, producers, and organizations. In a high-tech tide of broadcasting homogeneity, public radio helps us keep track of ourselves as a people in all of our social and ethnic diversity.

Q. Does NPR have a policy concerning co-productions between NPR and commercial broadcasters?

A. NPR has no policy on the matter, but in practice does not do co-productions with commercial broadcasters.

Q. Should public broadcasting continue to involve itself in the development of new technologies?

A. Public broadcasting's continued involvement in the development and application of new technologies is essential:

The technical quality of our production, distribution, and broadcast facilities must keep pace with technological developments in the rest of the broadcast industry. Public

broadcasting must continue to participate with, and on occasion lead, other broadcasters in seeking new ways to serve better the listening and viewing public.

Public broadcasting competes for its audience with an ever-increasing array of electronic media, many of them offering higher aural and visual quality. We must, therefore, continue to push our technical systems toward the highest quality standards if we are to survive.

Public broadcasting often must address technical issues that are uncommon, or unique, in the industry. Our educational and specialized audience services, our commitment to expanding coverage in rural and sparsely populated areas of the country, our decentralized national interconnection system, are examples of the services provided by public broadcasting that frequently present technical challenges. Public broadcasting must continue to respond to these challenges by developing and applying creative technological solutions.

Q. Please describe NPR's efforts to address the national problems we are facing, such as adult illiteracy?

A. Project Literacy U.S. (PLUS) an outreach campaign of ABC/PBS/NPR has just been extended until June, 1989. The third year of the campaign is called Youth Plus and will focus on youth literacy and a variety of problems such as drugs and high school dropouts. The NPR "Horizon" series plans three half-hour programs later this year. Topics for the "Horizon" series are "The Academy Alternative" a high school project which offers journalism and video production courses; "Literacy and The Ballot Box" focuses on problems from voter registration to casting a ballot; and "The Training Dilemma" is a program on how workers cope with training programs including entrance exams and work place literacy.

A recent report released by the Education Department shows that nationwide enrollment in adult education programs increased 13 percent last year while the number of volunteer tutors in such programs that are federally funded increased 44 percent. The report credits PLUS for making a significant contribution to this progress. In addition state support for literacy projects hve doubled in the two years since the effort began.

Senator INOUYE. Thank you, sir.
Mr. Brugger.

STATEMENT OF DAVID BRUGGER, PRESIDENT, NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS

Mr. BRUGGER. Thank you, Chairman Inouye, members of the committee.

I am David Brugger. As President of the National Association of Public Television Stations, I represent 170 member stations and my own 20 years as a public broadcaster, from production through management.

I want to thank you for the opportunity to testify on behalf of the reauthorization for the CPB for the public telecommunications facility program and for the satellite replacement system. Your investment in public broadcasting has paid off and I think, with some added incentive from you, that we can achieve much greater productivity.

The Federal government had the foresight back in 1952 to preserve channel space in each community around the country so that we could have public service broadcasting. Congress understood the need to help get these stations on the air and put up matching incentive funds to build stations and currently to help replace old equipment.

In 1967, through the Public Broadcasting Act, you provided the incentive for a period of tremendous growth and diversity in public service programming. 20 years later, stations are raising over 80 percent of their funds from non-Federal sources, while we stand amidst a $23 billion commercial broadcasting industry and a $13 billion cable industry.

What is the return for your investment to the American people? We know that we have the most comprehensive public affairs, cultural affairs, and children's programming schedule on any single channel. We know that there is extensive use of independent producers, not just with national funds but in local communities, like Chicago, Boston, Washington, and New York.

We know that we are bringing instructional television into rural areas and that we are bringing it where there are teacher shortages and where there are not enough supplemental materials.

We know that through public broadcasting adults are gaining job skills that are helping not only to make them more productive, but to make our companies more productive. We have outreach projects like the one at WTVS in Detroit, where they are giving voice to all of the community organizations which are helping to attack the problems of teenage homicide, drug abuse, and alcoholism.

What can we do with some added incentive funds? We can have more diversity of programs and more diversity of sources of programs through an adequate satellite system. We can get rid of the outdated instructional programs that we are using. We are in the seventh to tenth years of reruns of some of that material, some even as old as 18 years, and we need to minimize that.

We can extend our outreach programs to deal with problems like the AIDS epidemic, child care, which is a growing problem in this

country, and to deal with the problems of the elderly, as they are planning to do at the New Jersey network.

We can interest children in math and science. We know that we can make them more literate. We now have studies that show that children who are watching Sesame Street and Reading Rainbow are going to school more knowledgeable, are reading more books.

We can get more from our original investment by buying the rights to extended use, so that we can get more use out of these programs in homes and in the classrooms.

And how can you help us achieve this? You can reauthorize the facilities program so that the stations in your communities can maintain that equipment and their communication with those communities. You can fund the satellite system that allows all sections of this country to share their programs.

You can re-authorize CPB at higher levels, so that the stations can go out and they can challenge the other funding partners that are helping them make the system possible. You can invest in the most powerful medium ever devised for communicating information, images, and ideas.

And I think that if the best use we can make of this medium is to spend millions of dollars just to sell commercial products, then we are missing the most challenging opportunity of the century. And I hope you will agree.

[The statement and questions and answers follow:]

STATEMENT OF DAVID J. BRUGGER, PRESIDENT, NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS

As President of the National Association of Public Television Stations, I am pleased to provide this testimony in support of re-authorization legislation for the Corporation for Public Broadcasting (CPB), the Public Telecommunications Facilities Program (PTFP), and the public broadcasting satellite interconnection replacement. I appreciate the opportunity to appear before the subcommittee today.

PUBLIC TELEVISION AT A CROSSROAD

Recent news reports, independent and government studies, and private books and publications have sounded the call that America is now "in a period of decline" or "a nation at risk" or "culturally illiterate" or "educationally deprived". Candidates for public office cite symptom after symptom of the illness of our society caused by lack of broad public education—drug dealing on elementary school playgrounds, a national workforce ill trained to compete in the changing global economy, violence on our city streets whose victims are not yet old enough to vote, and lack of compassion for victims of a disease that still has baffled the best laboratory researchers of our health community.

If we are indeed a nation at risk, it is not because we don't possess the tools or the technology or the creativity to bring us back from the edge. The medium of television is the most powerful instrument ever devised for the communication of images, information and ideas. If the best use made of that medium is the investment of millions of dollars to inform the public of the difference between laundry detergents and deodorants, then we have missed the most challenging opportunity of the century.

Public television is at that critical crossroad between the gaping need for excellence in public education and the tremendous capacity that the telecommunications media has to enlighten and inform. The United States government, to its credit, recognized the need for non-commercial broadcasting as early as 1952, when 242 channels were set aside in the spectrum for the exclusive use on non-commercial television. After ten more years, Congress realized that unless the process of getting educational stations on the air speeded up, commercial television might lay claim to that small segment of spectrum reserved for education and public interest.

Only five years later, Congress concluded that the best efforts exerted by state and local governments, private businesses, individual contributors, and philanthrop-

ic organizations alone could not bring to fruition the promises of educational broadcasting. After a series of exhaustive hearings, studies, and deliberations, Congress declared that it was in the nation's best interest to support the use of these channels for instructional, educational, and informational purposes. By enacting the Public Broadcasting Act of 1967, the government made the support of public telecommunications a necessary public policy—one that has been continually reinforced by the Congress since then.

In 1967, it took as much money to buy one hour of sponsorship of a prime time commercial television program as it did to operate the average public television station for a whole year. Today, public television is less than a billion dollar a year industry—certainly much larger than it was twenty years ago, but a drop in the bucket compared to the $23 billion, advertiser supported commercial broadcasting industry or the $13 plus billion, cable television industry.

PUBLIC TELEVISION: MEDIUM FOR PUBLIC EDUCATION

The Congress is in a position, through this re-authorization process, to examine the fruits of its commitment of funds to the mix that drives public broadcasting in this nation. The nation's public television stations feel confident that the government's trust in their responsibility over the non-commercial airwaves is not misplaced. At the same time, however, there is a recognition that the needs are greater, the mandate is broader, and if public television is to approach fulfillment in the public policy objectives set for it, it will require a greater investment than ever before.

On the other side of this equation are the results—the ways in which public television has served its individual viewers and their communities, states, and governments with the resources made available to it. Public television now serves more than 100 million Americans weekly with the MacNeil-Lehrer Newshour, the most objective nightly, in-depth, news program and Frontline, the only regularly scheduled prime time documentary series on television; with an exhaustive series of national candidate debates; with full live coverage and evening repeats of major Congressional hearings; and with most extensive schedule of regular and special public affairs programs on television, a schedule that includes Washington Week in Review, Firing Line, and Eyes on the Prize. Public television's discussion of the Bicentennial of the U.S. Constitution throughout that year provided insight and interpretation of that document that has been unparalled.

Public television provides the only full schedule of broadcast programs for America's children in their homes and classrooms. Programs for children and families like WonderWorks, Seasame Street, Reading Rainbow, and Square One TV are true jewels in public television's crown. Private studies such as one recently released by the University Center for Research in Lawrence, Kansas, have shown that children who watch public television's educational programs develop better reading skills than those who do not. And, a study by the American Library Association showed that children who viewed Reading Rainbow were much more likely to take out library books and read than other children.

Every day, public television teaches millions of elementary and secondary students with in-school instructional programming that has brought science labs and foreign language classes to the most remote rural school districts. In addition, we teach the "non-traditional" learners—the adults who are learning to read, working toward their GED high school equivalency or college degrees, enhancing their job skills, or otherwise enriching their lives.

Public television helps eradicate the barriers of privilege and makes the treasures of cultural heritage and vitality of our arts accessible to 97% of all Americans, regardless of their means, their education, their social position, or their distance from theaters, concert halls, or galleries. More people watched American Playhouse's presentation of Arthur Miller's "All My Sons" last January than attended all performances of all plays appearing in all of Broadway's commercial theaters for an entire year. Live from the Met's first broadcast of Puccini's "La Boheme" was seen by more people than had attended live performances of that opera since it was first performed.

Public television has a proud history of producing television programs that are concerned with social, educational, and community issues. The audience for outreach programs like The Chemical People I & II and Project Literacy: U.S. (PLUS) has been among the highest of public broadcasting programs and the surveys, calls, and letters received after their broadcast prove that the content has been helpful to millions of viewers. Whether they are national in scope, or local, like WTVS/De-

troit's special employment and dropout prevention programs, community social outreach programs have a special and natural home in public television.

Public television stations are not passive local outlets for packaged satellite services and advertising messages originated hundreds or thousands of miles away; they are nonprofit public service institutions with their roots in the community, dedicated to its service. Indeed, with the recent trends in broadcast acquisitions, mergers, and buyouts, we may well become the last bastion for truly local control in the broadcast and cable industries.

UNRESTRICTED PROGRAM FUNDING: CRITICAL TO DIVERSITY

The future vitality of public broadcasting will depend on the artistic contributions of the tremendously talented people in the American creative community. As we have stated, adequate funding will go a long way toward insuring that video productions of the highest quality and diversity will continue to be shown on public television.

We reject the notion, however, that any one special interest group of television program producers be singled out for special attention or set-asides of federal funds for the production of programs. Individual FCC license-holders, the television stations, are the ones legally and ultimately responsible for the material shown on the air. In the final analysis, as they assess and represent their community standards, their concerns for quality, for balance, or for the "whole story" are always weighed before decisions are made to air programs, or in deciding in what context a program will be aired.

Key to maintaining public television's vibrancy has been its commitment to providing viewers with a heterogeneous mix of programs from a variety of producers. Independent producers of public television programs have ranged in institutional size from Academy Award nominee Ken Burns, whose tiny production company has produced such gems as The Statue of Liberty and Huey Long, to the Children's Television Workshop, which has provided hundreds of hours of Sesame Street, 3-2-1 Contact, and Square One TV for our nation's children. Individual public television stations, universities, cultural institutions, and non-profit associations like the Agency for Instructional Technology (AIT) all offer original programs in a wide range of styles and topics.

Regardless of the size or mission of their institution, however, all producers must compete for the very limited amount of funding available to produce the programs and for the air time available to present them. Even the most successful or well-known producers have expressed frustration with the process by which their program dreams become reality. Eyes on the Prize producer Henry Hampton, in testimony to the House Subcommittee on Telecommunications and Finance in November, 1987, stated that given his experience producing his landmark series for public television "no rationale man would undertake such an effort no matter how important the subject matter. The key problem is simply that there is not enough money to support such efforts. Producers, whether they are in stations or independent, are forced into a ritual dance of presentation and review that tests the strongest will."

Hawaii Public Television Executive Director Jim Young wrote in February to Senator Daniel Inouye opposing the creation of an independent programming service at CPB. In his letter, Young stated that his staff producers operate in a way similar to independents. "(The staff producer) . . . has to compete for foundation and corporate funding for his projects just like independents do. And there is nothing that says that his ideas will be accepted for broadcast by PBS—or even his own station. There simply is no fast track for anyone in having program ideas accepted and distributed for the national public television system."

Stations are no different. It is no less difficult for them to compet for funds from their state or local governments, corporations, foundations, and viewers. In addition, they have the ultimate legal responsibility for content and for program responsiveness to their individual communities. And, just as Congress must choose between competing interests for scarce resources, public television stations must evaluate programs and ideas from a host of sources and allocate their funds and air time to serve their community in the best and most cost effective way possible.

The scarcity of resources available for film and video production will continue to affect the relationship between independent producers, public television stations, and CPB. Differences of opinion on the use of the term "independent producer" will doubtless lead to pleas for the creation of separate or special funding mechanisms. The goal for all involved in this effort, however, is the timely broadcast to the appropriate audience of as much top quality important television programming as possible. Toward that end, public television stations individually, through production

consortia, and through their national distribution processes, will continue to support the work of our country's talented independent producers.

Within PBS's National Program Service alone, 439 original broadcast hours produced by American independents were distributed in FY 1986. These hours represent over 30% of all original broadcast hours distributed by PBS during this period. Of these 439 hours, nearly half were distributed in prime time. These hours represent fine programs like Eyes on the Prize, Nisei Soldier, and Huey Long.

Film and video productions chosen for national broadcast can enjoy a nearly limitless audience. Those chosen for inclusion into any of public television's anthology series can benefit from being seen by the series' established audience. The anthology documentary series Frontline in 1988 will devote 85% of the funds it commits to new programs to independents. The independent documentary filmmakers who have worked with the Frontline team have expressed great satisfaction with their relationship with the show and have welcomed the support of their creative efforts. The highly acclaimed drama series American Playhouse and family series WonderWorks have had an equivalent amount of success dealing with independents.

The producers of American Playhouse recently announced that a consortium of public television stations, among them KCET/Los Angeles, WGBH/Boston, South Carolina ETV, WNET/New York, is starting a new series to highlight independent documentaries. The American Documentary will premiere this fall and has been designed to showcase the works of American independents. The series will attempt to enhance the individual films by including in its plans a creative and aggressive promotion strategy. The format of the series will include a brief introduction to each program by the film artist to give the audience a sense of why and how the film was made. The filmmaker would also comment after the film, thus giving the audience a sense of the individual responsible for the work.

Independent producers are not under-represented on individual stations' broadcast schedules either. WGBH/Boston works regularly with independent producers, contributing money and use of its facilities to encourage new independent productions, particularly documentaries. To nurture developing video artists, WGBH has operated a TV workshop for 15 years and, in collaboration with Boston's Institute for Contemporary Art, supervises the Contemporary Art for Television Fund. This fund yields a six or eight part series each year.

WNET/New York also has a long tradition of encouraging and promoting new independent productions. The series Independent Focus just completed its tenth season, recently having been expanded to a fifteen week season of two hour programs. The series New Television was created in 1985 to accommodate the growing number of avant-garde and experimental videos. In addition, the station highlights independent productions in its thematically organized anthology series, and counsels and promotes independents and their work.

WETA/Washington broadcasts its Independent View series each year to great critical acclaim, and has invested in the Independent Minority Production Lab along with the National Endowment for the Arts to promote local minority talent. KQED/San Francisco acquires 24–32 locally-produced independent works per year, and commits a considerable amount of money and resources to independent productions. WTTW/Chicago is in its 11th year of prime time broadcasts of independent productions for their series, Image Union. This show appears 52 weeks a year.

Accepting the proposal submitted by the Association of Independent Video and Filmmakers to earmark already scarce program funds to a particular type of producer would be like adding more water to the soup bones—it would make the pot look like it would feed more, but in truth the soup would be diluted of nutritional value. Putting more meat on the bones—more funding for all types of programs and producers—would go a lot further toward providing sustenance.

PUBLIC TELEVISION AND NEEDED FEDERAL RESOURCES

Congress challenged public television twenty years ago to fulfill the missions it laid out for non-commercial, educational broadcasting. Public television has, in its sometimes awkward but always democratic way, gone far toward those missions and goals. While the federal government intended to provide funding equal to 50% of the total amount of non-federal financial support received by public broadcasting entities, public television has, because of the federal incentive, been able to find eighty percent of its total operating dollars in the non-federal sector.

We believe that after twenty years it's time for all of us to renew our commitment to public broadcasting's public policy objectives. We believe that the commitment of the past twenty years has yielded a strong return on investment and that public years has yielded a strong return on investment and that public television

can make an even stronger contribution to ensuring America's competitiveness. For these reasons we are requesting that the Congress, through re-authorization of CPB: 1.) Maintain suport of our industry's current services; 2.) Support our industry's proposed programming initiatives with the matching funding mechanism contemplated by statute Section 396(k) of the Communications Act of 1934, as amended; and 3.) replace the aging public broadcasting interconnection system.

In preparing to request authorization funding levels for 1991 through 1993, public television conducted a comprehensive inventory of the resources needed to provide its current service. In planning for the future, we identified programming initiatives designed to use the full potential of television to meet the challenges of the 1990's. The table below lists public television's total financial needs for 1991 through 1993. This amount reflects needs from all services, private citizens, and corporations; as well as from federal, state and local support.

PUBLIC TELEVISION TOTAL FINANCIAL NEEDS

[Dollars in millions]

	1991	1992	1993
Current services	$1,450	$1,525	$1,600
Program initiatives	501	568	668
Total need	$1,951	$2,093	$2,268

Based on these needs, we believe that is appropriate that Congress invest the following amounts in public television programming in 1991 and continue this support through 1993, as detailed in the table below.

REQUESTED FEDERAL SUPPORT FOR PUBLIC PROGRAM TELEVISION—1991–1993

[Dollars in millions]

	1991	1992	1993
Current service	$275	$294	$315
1:2 match for initiatives	167	189	223
Subtotal request	$442	$483	$538
Satellite replacement	$200	—	—

As seen in the table, the FY1991 request for $442 million is based on funding of $275 million to maintain current services—a figure that reflects the government's current share of this service. Also included in our request is $167 million to invest in our industry's proposed programming initiatives.

We believe that it is appropriate for the federal government to re-issue its challenge to the non-federal sector by restoring the matching mechanism already in law. An amount equal to 50% of the total non-federal financial support needed to reach the $501 million proposed for new initiatives equals federal support of $167 for programming initiatives. Our total request for federal support then reaches $442 million, a figure composed of $275 million to support current services and $167 million for program initiatives. While this number exceeds current levels, it still falls far below the level of support contemplated in current law. If one federal dollar to every two non-federal dollars match embodied in the Public Broadcasting Act were applied to the total system need of $1.9 billion, the federal share would equal $650 million dollars.

These initiatives are critical to public broadcasting's success, since they are based on Congress's stated public policy objectives for the industry. Take, for example, the area of children's instructional programming. The cost-effectiveness of instructional television make it an indispensable part of both education's and public television's future. If an instructional series is produced for $1 and used for two elementary school grades, it can affect as many as 4.5 million students per year. The amortized cost over the five year life of the series is then as low as $.22 per pupil. This can be gauged against the current national average per pupil expenditure of about $2,500 per year.

The need in this area for new programs is great; current programs are aging in reruns and are losing their relevancy for their intended audience. Production costs are increasing at a rate outpacing inflation, resulting in fewer and fewer new program hours being produced each year. With only $150 million of new funding, public television could provide these new programs at levels of elementary and secondary instruction, as well as offer new programs specially designed for students at risk of dropping out, and investigate new methods of using television technology as an in-school teaching tool.

We've mentioned Project Literacy and other highly successful public television outreach projects earlier as examples of how effective public television stations together and in their own communities can galvanize their resources to affect social awareness and change. With so many issues in need of massive community efforts—issues like child care, the elderly, drug abuse, teen pregnancy and suicide—public television is ready and willing to serve the nation. For $15 million per year, public television would be able to continue these efforts by providing two nationally co-ordinated outreach programs supporting local outreach initiatives.

In the area of general audience programming, we would like to seek a further commitment to enhancing citizenship and public participation in government by expanding the amount of public affairs programming we produce. In order to stimulate general interest in science, health, medicine, and natural history, we'd like to see more special series like The Brain, and more current episodes of NOVA, Discover, and 3-2-1 Contact. In the arts and humanities, series like American Masters, Great Performances, and Alive From Off Center continually need new episodes in order to reflect the changing hues of the American cultural tapestry.

We know that in order to be most effective, our programs must be watched by their intended audience. In order to lose our reputation as the "Gee, if I'd only known it was on" television programming service, we'd like to be able to spend more money on promotional support. If it's worth millions of dollars for advertisers to compare the softness of freshly washed socks, it must be worth a fraction of that to let parents know that math and science can be interesting and fun for their children. And, if it seems that we're going to be the only comprehensive public service channel in this country, it's worth an investment to do the research, development, and piloting for new series and programs that are going to make our citizenry more competitive in the knowledge-intensive times that we know are upon us.

CRITICAL NEED: SATELLITE REPLACEMENT

A crucial hardware need for public broadcasting is the replacement of public broadcasting's programming lifeline—its satellite interconnection systems. The current system allows for the simultaneous distribution of programming from a number of sources to public television and radio stations in all 50 states, Puerto Rico, and the Virgin Islands. The Westar IV satellite used now by public broadcasting will run out of fuel by mid-1991 requiring the acquisition of new satellite capacity. Most of the existing ground equipment—"receive only" dishes at individual stations—will be almost 15 years old by the time a new system can be chosen and installed and therefore need to be refurbished or replaced.

Because of the long lead time required to implement a new interconnection system and to build the complementary ground segment, public broadcasting needs a commitment to its next generation of this programming lifeline. In the original 1967 Public Broadcasting Act, Congress charged CPB with assisting in the establishment of an interconnection system to distribute programs to local public television and radio stations. CPB has fulfilled that charge by helping develop the first national satellite distribution systems presently used by public television and radio, by providing funds to help meet the operating costs of those systems, and by helping to establish structural safeguards for system operation. CPB has played an important part in assuring that effective distribution systems for public television and radio have become a reality while respecting the fundamental premise of localism on which public broadcasting was founded.

With the assistance of federal funding, public broadcasting was able in the late 1970's to convert from AT&T land lines to the current satellite interconnection and become the nation's first major broadcast system to distribute its programming via satellite. This efficient, reliable, and high quality system has enabled public television to pioneer in engineering advances as much as it has in programming. By allowing for distribution of programming from a variety of sources, the system has encouraged diversity in program offerings by its autonomous stations. This kind of access, along with the ease and speed with which new stations have been able to

hook up to the system, have helped fulfill a fundamental mission of public broadcasting to maintain local control of programming.

The technology of the current system has allowed for such expensive services as the development of the National Narrowcast Service, ideally suited for educational training programs for business and industry, for specialized elementary and secondary school services, for the Adult Learning Service, and for data delivery. Moreover, this technology has encouraged public television to expand its audience to the handicapped by pioneering in closed captioning for the hearing impaired and, most recently, special audio enhancement for the blind.

The nation's public television stations support the inclusion in the pending reauthorization bill the provision of $200 million for federal support for the replacement of public broadcasting's current interconnection system. We look forward to working with the Congress, CPB, NPR, and PBS to meet our future satellite needs in the best, most cost-efficient manner possible.

MATCHING FACILITIES FUNDS CRUCIAL TO EXPANSION

In addition to the money authorized for the Corporation for Public Broadcasting, a a separate but critical part of the re-authorization package that Congress is considering would confirm the federal government's commitment to the hardware and equipment that has helped public television grow to be accessible to nearly 95% of America's homes and classrooms. The Public Telecommunications Facilities Program (PTFP) administered by the Department of Commerce was created to provide matching grants to public broadcasting stations to purchase vital transmission equipment. We support the re-authorization of PTFP at modestly increasing levels from FY 1989-91 so that it can continue to unlock unserved areas to public broadcasting coverage and to help replace and refurbish much of the aging equipment at public broadcasting stations.

The replacement value of the public television industry's total facilities equipment—excluding buildings, land, and fixtures—is currently near $1.5 billion. Over more than a quarter century, the federal government has contributed approximately 25% toward this equipment. This federal support for capital costs remains crucial to the encouragement of private capital contributions and toward the completion and retention of nationwide public broadcasting service. In the current fiscal year, there are 304 radio and television applications pending totalling nearly $68 million in requests. With only $19.5 million available for funding them this year, it is likely that most of the applications will be resubmitted next year.

While we understand the realities of the federal budget, we feel that it's important to state what the needs of this service are and what opportunities are available with the right investment. It is our hope that this Congress will renew and enhance its challenge to the citizens, the corporations, to all the other governmental and private funders of public television to play an increasing role in achieving the public policy interests originally hoped for from this communication medium. It will be through your renewed commitment to this partnership that we will be able to build on the past twenty years and make the best use of the medium that commercial constraints and mass audience appeals will never allow others to do.

QUESTIONS OF SENATOR INOUYE AND THE ANSWERS

Please outline how you would spend the funds you have requested.

The funds requested in NAPTS testimony would allow public television to raise matching funds for a total operating budget of approximately $2.2 billion. With these funds we can recapitalize to:

1. Maintain support of current public television services.

2. Support proposed programming investments to meet the challenges America will face in the 1990's. These investments include:

   a. New educational programming to serve children and youth including programs for pre-school, school-age children and children at high risk of school failure.

   b. New educational programming to serve adults, including programs for the illiterate and programs devoted to basic skills and job retraining, as well as college course programming, making higher education truly accessible to all.

   c. New outreach programming to raise American awareness of major social problems and to assist public television stations in galvanizing local resources around potential solutions to critical educational and societal concerns.

   d. The proposed investments also include enhanced production quality as well as much needed new and original general audience programming. Areas in particular need of revitalization in the 1990s:

      News and public affairs programming to enhance citizen participation in and awareness of our government.

      Science programming to instill interest in gaining the scientific knowledge vital for the 1990s.

      Cultural programming to make the best of our civilization universally available.

   e. Finally, the investments include the purchase of extended rights to ensure the fullest use of all public television programming. "Extended rights" include audiovisual, home video, and longer broadcast rights periods for programs. These rights will make it possible to extend the visibility and usefulness of major programs to students in schools and families at home.

3. Replace the soon-to-be inoperative public broadcasting interconnection system.

The funding levels set forth in S.2114 are significantly lower than you have requested. How will the plans you outlined above be revised if S.2114 is passed?

The $304 million funding level set by S.2114 is $138 million less than the total amount NAPTS requested to maintain current services and begin important programming investments. The satellite funding level of $200 million set by S.2114 is the same amount requested by NAPTS. Passage of S.2114 would not affect the satellite replacement plans described in NAPTS testimony.

The $304 million funding level set by S.2114, however, does fall substantially below NAPTS request for $442 million and would necessitate a change in programming plans. S.2114 would provide the $275 million necessary to maintain current services. Another $29 million would be available for the programming initiatives outlined. The plans would have to be revised to accommodate not only the lower amount of federal funds but also the loss of non-federal matching support generated by federal funding. As detailed in our testimony, we believe that the additional $167 million requested for programming initiatives would draw matching funds and increase the total funding available to $501 million. This shortfall would curtail our plans sharply.

First, in this situation, our plans would be to maintain current service. Second, we would focus additional funds in the areas that we believe would produce the greatest benefits, for example:

new educational programming to serve children and youth; and

new outreach programming to address social problems.

These investments in public television, however, would be pursued at a substantially lower level of effort than originally planned. The other proposed investments would not be undertaken unless the stations could find other funding or underwriting to support the activities.

What would be the impact of the President's proposal to limit funding to $214 million in 1991? What affect would this funding level have on the replacement of the satellite interconnection system?

If funding for the Corporation would be limited in FY 1991 to $214 million, the effect would be devastating

on PTV programs and station operations. The problem would be how to absorb the costs of replacing the satellite system costing $200 million while maintaining a nationwide and local public television service whose federal share need will be $275 million in FY 1991. The total of $475 million in federal fund needs would be met with only $214 million in appropriations. This $261 million shortfall would mean an across-the-board cut of about 20% overall. Public broadcasters would have to work out an emergency satellite system in order to maintain at least a rudimentary nationwide interconnection for the essential school and adult education service and the news and public affairs programs delivered daily to the stations via satellite. No CPB funds for new production of any kind would be available.

Half of CPB's funds go to TV Community Service Grants, and these would need to be used by stations to sustain the satellite service. While larger stations could survive, many smaller PTV stations would have problems continuing any local service.

Will the request for $200 million to replace the satellite interconnection system cover the entire cost of the system?

The $200 million requested for satellite interconnection system replacement is intended to cover all or most of the costs of replacement interconnection systems for both public television and public radio.

It is my understanding that the actual cost to replace the Satellite Interconnection System has not been determined. Where do you anticipate getting additional funds for the system if it costs more than $200 million?

In the event that $200 million is not adequate to cover the costs of both systems, public broadcasting will attempt to finance the remaining costs through financing arrangements offered by equipment vendors or commercial lending institutions. Federal satellite replacement funds also will be supplemented with contributions toward replacement costs by local stations.

It has been suggested that the funding appropriated for CPB administrative costs, training, research and other programs should be reduced, which would increase the money available for programming. What are your views on this proposal?

CPB administrative costs, and funds for training, research and other non-program support CPB activities are not functions of the percentage of funds appropriated to CPB. Such activities are undertaken to meet specific needs, e.g. necessary administrative staff, research to measure programming effectiveness and to explore the use of television as a medium of education and social benefit, and grants for professional training for minority personnel.

As CPB funding increases, it may well be possible to maintain CPB's non-program activities at near present levels, and provide a significant increase in funds available for program support, such as via the TV Program Challenge Fund. Consideration of reducing CPB's non-program funding would need to be considered on the basis of need for each of the activities so funded. Many of these funds provide services that stations find useful and would have to be made up by stations from other sources.

For many years the independent producers have been raising their concerns about compliance with the 1978 law. Why haven't you been able to resolve this issue?

Public television has complied with the law in a reasonable manner taking into account the concerns of independents and balancing them against the demands of a broadcasting medium operating with scarce resources. The scarcity of resources -- both public and private -- available for film and video production does and will continue to affect the relationships between independent producers, public television stations, and CPB. Public television stations are committed to providing their viewers with a heterogeneous mix of programs from a variety of producers. Regardless of the size or mission of their institution, however, all producers must compete for the very limited amount of funding available to produce the programs and for the air time available to present them.

We reject the notion that any one special group of television program producers be singled out for special attention or set-asides of federal funds for the production of programs. We produce programs we need, not based on who produces them. Individual FCC license holders, the public television stations, are the ones legally and ultimately reponsible for the material shown on the air. Stations have local boards and assess community needs. In the final analysis, as they assess and represent their community standards, their concerns for quality, for balance, or for the "whole story" are always weighed before decisions are made to purchase or air programs or deciding in what context a program will be aired.

What is your position on the bill language in H.R. 4118 concerning the independent producers?

NAPTS does not support the definition of independent producer contained in HR 4118, nor would it support any overly narrow definition in the law. With so many different kinds of production and financing agreements that help get programs on the air, it would be wasteful and unfortunate to have legislation that would give an edge to one group over another, or have program funding decisions judged by any standard other than quality.

How does NAPTS define an independent production?

NAPTS supports a definition of "independent production" like the one currently used by the Corporation for Public Broadcasting. This definition, we believe, enhances the opportunities for production and carriage

of programs by independents. At the same time the CPB definition takes into consideration the responsibilities of the licensees who must ultimately choose to broadcast the programs.

The CPB definition adequately addresses the complicated definitional problems associated with identifying an independent production. For example, there is general agreement that independent status reflects the degree to which a producer, other than a public television licensee, is responsible for developing the program concept and retains editorial control over the project. The definitional problems are attributable, at least in part, to the vast differences in size, stature, financial resources, and experience among independent producers.

At one end of the spectrum is the struggling filmmaker who is making his or her first documentary and who has no established journalistic reputation or solid financial support for the project. At the other end of the spectrum is the Children's Television Workshop (CTW), which has been producing award-winning children's programs for almost twenty years, knows where and how to seek funding, and whose programs, most notably SESAME STREET, have become a mainstay of the public television schedule.

The definitional problems are complicated further by the wide variety of cooperative production and/or presentation arrangements that independent producers often have with public television stations. There is no easy way to categorize these arrangements because they vary with each program. At one extreme is the independent program that is conceived and produced by a non-station producer, without any assistance or advice from PBS or a public television station, and presented, as a finished product, to PBS for distribution.

Station involvement in a program, however, does not necessarily mean that the producer's editorial control has been compromised or that it is any less an "independent" production than one without such involvement. For example, a station may produce a program in association with an independent producer and give the producer full editorial control over its content.

More frequently, stations are the "presenters" of independent programs. The advantage of this arrangement is that the station's greater familiarity with the national distribution process can smooth the bumps in that process for both the independent producer and the national staff. As the program presenter, the station

facilitates broadcast of the program but does not usurp the producer's independent editorial control of its content. EYES ON THE PRIZE is a recent example of such an arrangement: although WGBH in Boston was the presenter, it became involved in the series at a late stage and did not control its content.

The net effect of these cooperative arrangements under the CPB definition has been to benefit independent producers by facilitating their access to the public television system and expanding their production opportunities. In these ways, public television stations individually and collectively have been able to provide their audiences with diverse, high quality programming that responds to the needs of their communities. Any attempt to legislate the source of these programs would be counterproductive to their efforts.

What if any programs do your members stations broadcast that are aimed at gifted children?

Few, if any, programs have been broadcast specifically for gifted children per se. Instead, parents and teachers can direct gifted children to in-school or at home education programs intended for more advanced students.

Thus, gifted lower elementary children interested in science are being directed to viewing and studying the upper-elementary/ junior high TV science series 3-2-1-CONTACT, and gifted senior high students regularly are participating in college courses distributed by PBS and available widely via local public television stations.

These special assignments by parents and teachers allow gifted students a broad range of freely available educational resources. The increasing availability of these educational programs on video cassette allows even greater flexibility of use for gifted students.

How many of your member stations carry programming directed towards the concerns and interests of Hispanics?

Because our research shows that audiences do not view programs in a racial pattern but respond to programs according to socio-economic characteristics, we believe that all of our stations carry programming which addresses the concerns and interests of Hispanics as a part of the overall audience.

The Public Broadcasting Service (PBS) offers programs to the individual public television stations serving the communities in which they are licensed. PBS has presented, or will present, as part of the AMERICAN PLAYHOUSE series works by Hispanic authors such as "El Norte", "The Ballad of Gregorio Cortez", "The House of RAMON Inglesia" and "Stand and Deliver" and such public affairs programs as "The Lemon Grove Inciden"t. AMERICAN PLAYHOUSE averages 80 percent carriage by the stations. PBS also distributes programs offered by the Latino Consortium, which estimates that more than 80 stations now carry its programs.

In markets where there are substantial Hispanic populations, a sample of local station programming provided for Hispanic audiences includes WLRN, Miami, which provides 3 1/2 hours of programming each Sunday evening in prime time for its Spanish speaking audience. In Los Angeles, both KCET, the community station, and KLCS, the school board station, provide programs for and about Hispanics.

Are any of those programs broadcast in Spanish?

Yes. The Sunday evening broadcasts by WLRN are in Spanish and provide news, public affairs and cultural programming for the community. WLRN is also seeking funding from the Public Telecommunications Facilities Program (PTFP) to activate a second audio channel which would broadcast its regular program schedule in Spanish. KCET broadcasts some of its programs in simulcast; that is, the Spanish-language version of the program is carried on a local commercial Spanish radio station. KLCS provides such services as a daily "Homework Hotline" for secondary school students. While the program is in English, Spanish-speaking teachers are available to assist student callers.

How many of your member stations carry programming directed towards the interests and concerns of minorities and women?

Research shows that minorities and women are present in every measured market. They choose programs in the same way which the overall audience does, according to their socio-economic characteristics. Therefore, that programming which attracts a general audience attracts minority and female viewers in the same proportion. Programs about minorities and women and produced by them are a significant part of the PBS schedule.

In addition to the PBS schedule, the Latino, Asian and Black Consortia distribute programming to local public television stations. In areas where there is a particular audience, local stations serve their own communities by presenting such programs as English for non-English-speaking peoples, specials on Cinco de Mayo, Mexican Independence Day, and Martin Luther King's birthday. WLRN, Miami, also provides programs in Creole for its Haitian audiences.

The outreach efforts conducted by stations in conjunction with such specials as THE CHEMICAL PEOPLE (drug abuse) and those which address literacy offer support for callers and printed materials in a variety of languages, including various Asian languages, Spanish, and Armenian.

It appears that most of the innovation in instructional programming is occurring at the state level, but it is concentrated in a few states. What is being done to expand some of the more successful programs on a nationwide basis?

More than a few state educational/public TV networks are involved in innovative uses of television and other technologies for education. The public television networks in Alabama, Arkansas, Georgia, Hawaii, Idaho, Iowa, Kentucky, Louisiana, Maine, Mississippi, Nebraska, New Jersey, New Hampshire, North Dakota, Oregon, South Carolina, South Dakota, and Vermont offer diverse education services state-wide. Education, however, remains a state and locally controlled activity. Each area's television service is designed to meet its own local needs. Independent producers are responsible for many of these in-school services which seldom are given the national publicity that prime-time PTV programs receive.

Public TV's satellite system distributes nationally seven hours daily of instructional series for broadcast by local stations to schools, as organized by the Southern Educational Communications Association, Columbia, South Carolina. And PBS's Adult Learning Service distributes via satellite many hours of college courses for broadcast by stations. And CPB funds have helped to foster innovation and resource sharing of education services.

There have been very few federal funds to augment tight state and local education budgets to allow for more innovation in education. The Department of Education formerly had an Office of Educational Technology to assist in new education development and in sharing information nationally about innovation. This office was dropped several years ago. The Department of Education also had funded up to $12 million annually in grants to innovative programs in telecommunications, such as SESAME STREET but that too has been drastically reduced. Such innovative science and math programs as 3-2-1 CONTACT and SQUARE ONE TV are facing difficulty at present in getting continued minimal partial support from the Department of Education. A commitment from that Department to encourage educational telecommunications innovation, coupled with new funds such as those allocated to the Department's congressionally-mandated "Star Schools" program could be of great help in improved education services throughout the nation. Until such time as the return of a federal commitment by the Department of Education, public television stations must rely in no small part on their own state and local education funds to present innovative education services, augmented by funds from CPB.

Should public television continue to involve itself in the development of new technologies?

It is essential that public television involve itself in the development of new technologies to insure the full public service utilization of these technologies. Continued involvement is justified by public television's strong record of innovation and accomplishment in telecommunications technology.

Public television has demonstrated an unusual ability to apply technological advances in an effective way. The best example is public television's innovative approach to station interconnection using satellite delivery, which created significant advantages in quality, flexibility and cost. The three commercial networks later adopted the idea.

Public television was a pioneer in high quality stereo audio, closed-captioning for the hearing impaired and ancillary services for the sight impaired.

Public television has assumed a leadership role in the development of high definition television technology. NAPTS, PBS and CPB are participating actively in the FCC sponsored investigation of advanced television systems. Public television has joined the Advanced Television Test Center to participate in testing HDTV system proposals.

The expanding use of technologies by schools and colleges is largely the result of the early educational television stations' pioneering efforts. Educators and public broadcasters are continuing to work together using computers, and satellite interconnections, and to develop interactive video and other devices to improve education's effectiveness.

The FCC appears to be cutting back on its efforts to promulgate broadcast technical standards and to support and protect public broadcasting. Public television must be prepared to produce by whatever standards will emerge through our participation in scientific and industry committees. Public television also must be prepared to defend its right to provide viewers with programming not usually provided in a market-driven environment should this right be threatened by technical advances in the new "free" marketplace.

Senator INOUYE. Thank you very much.

Today Lou Harris Associates will be releasing a report on America and the arts and entertainment and such. And among other things, I believe this report will indicate that the average American, instead of spending 26 hours, as he had last year, for entertainment and art will be spending 12 hours per week. That is all the time he has available.

And as a result, the study indicates that several symphony orchestras are either in trouble or have gone out of business, and several operas are facing the same fate.

What is the situation with public broadcasting and public radio? Is your clientele going up or down?

Mr. CHRISTENSEN. Senator, as we have been able to look at the viewing statistics for public television, our audiences have increased on the average of three to four percent annually over the last ten to 15 years. We have about 100 million people watching public television each week and, while we expect there would be some adjustment in that number as we go through the new Nielsen means of counting people, which is using what they call People Meters to try to register how many people are in the room and who is watching what particular program, our audiences have continually grown, even at a time when the commercial network audiences have decreased.

So we have seen more use of public television programming. And we have every reason to expect that to continue.

Senator INOUYE. What is the contribution level now?

Mr. CHRISTENSEN. The contribution level is about not quite 4.5 million families contributing each year, a little over $230 million a year, an average contribution of about $55 per family.

Senator INOUYE. Has it increased or decreased?

Mr. CHRISTENSEN. It has increased and continues to increase. There is a steady and I think healthy growth in the membership contributions. We went up from about 214, 215, to over $230 million in the membership contributions.

In fact, membership contributions to public television represent a larger contribution than the Federal investment in public television; that relationship between membership and Federal contributions has tracked over the years.

Senator INOUYE. Public radio?

Mr. BENNET. I would have to see Mr. Harris' figures. I would be surprised if it turns out that there is a reduction in interest in the United States in cultural matters. And let me tell you a couple of pieces of anecdotal evidence that I think are important.

I was in Chico, California, this weekend. Chico State University, part of the California system, is joining with the Aspen summer music festival to co-produce a radio series that national public radio will carry. The Aspen festival is now in its fortieth year, little known around the country. It is a place where young American performers go to develop their skills and to teach others, and produces each year a wonderful richness of culture.

We think it is a waste that that is not shared with the rest of the country, and so, working with Chico State and our station out there, KCHO, we are going to help put together a series, the Aspen Festival, that will be broadcast to audiences around the country.

We think we know how to do that in a way that will produce a large audience. The reason we think that is because of success with the new series that we have got on the air since I think we last met, which is called Performance Today. It is a daily two hour service, once again picking out material from all around the country; 70 of our stations now contribute to this program.

What they contribute is arts and performance material coming out of the communities of America.

Now, there may be some symphonies that are in trouble. I think you are going to expect that. But that is not what I see. What I see is communities across this country that have artistic capabilities and have very fine performances to offer, and what we are trying to do is pull it together and make it available to the country.

It remains to be seen whether that will work, but I think that in these times, without getting into it too deeply, that Americans are going to be looking to their culture for national identification.

When you ask who we are, one answer to that is, what is our culture. And so I do not expect to see that dropping off, and I think public radio is going to be a very important vehicle. At least that is our commitment for sharing our culture.

As to audience, our audiences have gone out substantially for news, somewhat less for cultural, over the last—arts and performance programming—over the last few years. Our contributions from listeners have increased in number to over a million a year, and the typical contribution is about $50.

Senator INOUYE. In your testimony you speak of reaching children and the youth of America. Has that grown or decreased?

Mr. BRUGGER. As far as we know, it continues to increase. I think the latest studies that have been done through CPB on that are that there are now over 23 million school children who are able to take advantage of public broadcasting in school.

And one of the problems we are having, of course, is that the course work is getting old and the material is getting old. And we have not had the funds to renew that. I was just reading about ASSET (Arizona School Services Through Educational Technology) in Arizona where they have 87 different courses. Some of these courses in use are 10 to 14 years old. But even there, more teachers are using them because of the teacher shortage and because of the lack of the supplemental materials that are necessary.

Senator INOUYE. Would you like to add anything, Mr. Ledwig?

Mr. LEDWIG. We continue to support children's programming. We have a special department in CPB. We consider that critical to our mandate and we believe that the studies are now showing that children who watch public television are better prepared to enter the first grade.

For example, Fred Rogers has told me his whole idea on Mr. Rogers' Neighborhood is to convince children that it is a wonderful world out there, it is a wonderful neighborhood, therefore you want to learn about it.

He believes that children in homes who have a different perception, that it is a horrible world, do not want to learn. His programming makes them feel comfortable with themselves and comfortable with the world and therefore they want to learn.

And the studies are now showing that is exactly what happens. There are even cases of hyperactive children, where it is suggested that their parents have them watch Mr. Rogers' Neighborhood to sort of calm them down, and it works.

So if you start at the beginning with Mr. Rogers and go on through Sesame Street, it will work.

Senator WILSON. Mr. Chairman, a number of Senate speeches have the same effect.

Senator INOUYE. Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Mr. Christensen, the appearance that you gave of increasing funding, $230 million, more than the Federal government average of $55 per family, is optimistic. It sounds good.

But on the other hand, I think it is also true that there probably are some folks locally who are sweating out the fact that AT&T appears to want to pull out of funding of MacNeil-Lehrer. And I do not know whether that is a common phenomenon, but it is my impression that foundations and corporations, with the vast proliferation of deregulated other stations, are becoming more reluctant to fund.

Obviously, AT&T is somewhat more reluctant to fund. Now, does this represent a trend that we should know more about?

Mr. CHRISTENSEN. We are concerned always about the level of corporate support and finding ways to encourage more corporations to contribute.

In the case of AT&T, they are committed to continue their support of MacNeil-Lehrer, but they also would like to share that more than $11 million a year burden with another corporation. They got MacNeil-Lehrer News Hour started and have continued to give us substantial support. Now they want a little help from some of their colleagues. And that we think is perfectly appropriate.

As we look at the trend, it is very difficult to draw conclusions, although industries that seem to be having some difficulty, economic difficulty, are under particular pressure. The oil industry in particular has had difficulty in the last few years continuing their support for public television.

We have heard in the last couple of days that Chrysler will be coming in with a major contribution next year on a program on education, an important series. And I guess if I were to summarize it, we would like to see more encouragement or ways to encourage corporations to give more to public television.

We do not see them walking away from public television, except in circumstances where their own economic problems or difficulties require that. And I guess as we continue to monitor this, we certainly can bring back to the committee any additional information that may be available that we could share.

Senator ROCKEFELLER. A further question. With the deregulation of so much in television, particularly cable, I guess it was assumed by many that there would be a concomitant diversification of programming and that there would be a broad representation, and that it would reflect the various parts of America.

Do you find that to be the case, let us say particularly with cable?

Mr. CHRISTENSEN. Well, I would readily admit I am a biased source to ask that particular question. But as we have examined the cable industry, they are driven by the same commercial forces that commercial broadcasters face. Their primary programming will be news or live events, sports and entertainment.

And so if you are looking for the best return or the maximum return on the bottom line, which is what the cable operators are looking for in a commercial business, they are going to continue to serve in that area where they can maximize their profits.

That means the kind of programming for children, the kind of outreach programming that we have done in project literacy, the sort of programs that have been done in the education programs you spoke of earlier, will continue to be the burden of public broadcasting. Nobody else is going to pick that up.

Nobody else is structured to do it. Nobody else has the general welfare in mind as their bottom line, except public broadcasting. And that is why it is important for us to continue to have the support from this committee.

Senator ROCKEFELLER. The public trustee standard in theory applies generally. But with respect to education for adults who need on the job literacy training or children, public television seems to be and radio seems to be picking that up, others perhaps not.

Mr. CHRISTENSEN. Well, the public interest standard or the public trusteeship as expressed by the current Federal Communications Commission seems to have lost its way. They believe, I think, and have demonstrated amply that it is the marketplace which they turn to as the ultimate arbiter of programming for this country.

And we think that is dead wrong and it is not the right approach to provide programs for this nation.

Senator ROCKEFELLER. I read recently, Mr. Chairman—I forget whether it was channel 4 or channel 9 here in Washington, but it involved both of them. In my own mind, I have tended to exclude commercial news broadcasting from my criticism of commercial broadcasting in general.

But there was a phenomenon here recently where, I am not sure if it was channel 9 or channel 4, but one of them was holding firm to the concept of hard news, lead with hard news, stay with hard news, whereas the other one, either channel 4 or channel 9, tended to lead with blood, as they put it. That is, accidents, murders, crack, things of that sort.

And it was interesting, because the one that led with the blood started to pick up the listenership or viewership, and the one that held onto the news standard quickly began to lose it over perhaps a period of months, and they then reverted to the other station's standard, generally being lead is bleed, I think was the term they used for it. If there is blood in it, then put it up top; more people will watch.

Now, that is depressing. Is that reasonably standard on local news shows around this country, that phenomenon of news getting pushed a bit further down the line in order to attract viewers at the top with more sensational stuff? Is that something that public broadcasting obviously does not need to do, and therefore I ask the question.

Mr. CHRISTENSEN. Public broadcasting does not need to do it, nor do we. I think if you look at the markets around the country, at least my experience as a journalist has been to watch the kind of happy talk phenomenon that came in several years ago lead to a sort of fire engine chasing, the kind of blood and guts stories that you have been talking about, being the first thing in the newscast and being promoted during the course of the evening: Stay tuned to watch an even gorier scene after you watch the gory scene we have in our next movie. We will have something worse in the news.

And that seems to attract and keep the viewers. That is unfortunate. I think it is not the kind of service that broadcasters can and should be affording their communities. And we have tried to counter that, again with not only national public affairs programming like MacNeil-Lehrer and the NewsHour, but also local programs in Boston and a number of cities where they do essentially the same thing, and that is try to put into perspective the important events of the day and, rather than looking at the titillating or the voyeuristic events of the day, try to look at things that are important, put them in perspective, and give the audience some sense of value and some sense of perspective on what is going on in their lives.

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Senator INOUYE. Senator Hollings.

The CHAIRMAN. Let me thank each of you for your assistance last year at the end of the year on our trust fund proposal. And Mr. Christensen, as Senator Rockefeller was asking, I think you are onto a very important point for public broadcasting, public radio, and that is the demise of the public interest standard.

As that occurs, I notice that the commercial stations are carrying less news. I know in my own small state, where they used to have 135 subscribers to the South Carolina radio network, they are down to 65. They do not want to pay for it any more if they do not have to.

There is no interest in it. We know that with the elimination of trafficking restriction people are coming in, buying stations, firing the news staff—news costs money—and adding on clutter, more advertisements and everything else of that kind, and then selling them off.

So the marketplace is working and it is working to the detriment of the public, this makes your role far more significant and meaningful. And I think we ought to continue to emphasize that.

I am wondering, just in the minute allowed me, when you talk of receiving some $230 million, what is the cost in both time and money? And I am trying to get a feel for it now. I go to a lot of these stations, Mr. Brugger, and a lot of the staff is being paid to get out and hustle those corporations.

They are traveling all over the countryside, and you are getting a lot of money, but it costs a lot of money. And then otherwise it costs a lot of that valuable time in the evenings trying to make those public solicitations.

Has anyone got a grasp of the time, the cost in time and the cost in money for that wonderful private support?

Mr. BRUGGER. The most recent figures I have seen where we have tried to assess that, at least in terms of out of pocket costs

and salaries of personnel, runs between 12 and 14 percent of the system resources just to try and raise money.

Now, that does not include all of the air time that stations are using up in the pledge periods, or time that may be generated by other people on the staff, whether it is the management staff, boards or other people who are also out helping to raise those funds.

The CHAIRMAN. Have you made an estimation of how much you can afford in that time and money? I am trying to get to the basic need of some kind of trust fund support, because, as you are indicating now about your educational programs and courses, they become outdated.

On the contrary, public television, public broadcasting, is supposed to be on the cutting edge. That was the whole idea, to bring the finest instruction to the public bringing the best doctors to speak to other doctors and the best teachers in a wide range subjects to educated children, adults, and professionals. Public broadcasting is supposed to be out on that cutting edge, providing new and updated not stagnant outdated information.

Mr. CHRISTENSEN. That is really a real problem for us, in that our major producers spend most of their time out trying to raise money to get these projects on the air. Now, you look at Eyes on the Prize and listen to the story of Henry Hampton and the difficulty he had in trying to get enough money together to put that terrific, award-winning program series on public television.

It is a shame that our people are in fact walking around with their tin cup all the time instead of out producing the programs that need to be produced. That is the real tragedy and it is the opportunity cost, as you say, Senator, of having to do this as opposed to producing the programs.

Mr. BRUGGER. We have been working on plans for the past two years now to look at what would be a much more attractive schedule, how we could update all of the preschool and instructional program, and how we could do more outreach, how we could get the kind of cultural schedule and public affairs schedule that is needed.

And we estimate that by 1991 to do this job properly would take about $2.3 billion.

The CHAIRMAN. Well, to try to get even, again, a more accurate estimation of what really would be a basic support fund for public TV and public radio, I think that is what the committee will be wanting to know.

Thank you, Mr. Chairman.

Senator INOUYE. Senator Exon.

Senator EXON. Mr. Chairman, thank you very much.

I would like to have one of you clarify for the record the contributions that are made by particularly the corporation when on public television we see: "The following program partially funded by" such-and-such a corporation.

Do those corporations select the programs that they want to contribute to? For example, I happen to think MacNeil-Lehrer is the most informative news program by far on television today in its field. Do they have a right to select what programs they want to have their names associated with?

Mr. CHRISTENSEN. Senator, they do have a right to select the programs, but they do not have a right to control the content of the program. For example, AT&T can associate with the MacNeil-Lehrer NewsHour, but that is where that affiliation stops.

There is an independent——

Senator EXON. I understand that. But can AT&T say, we will—or do AT&T or others say, we will make a contribution to public television so long as it appears on the MacNeil-Lehrer, but we will not if it is somewhere else? Do they have that option?

Mr. CHRISTENSEN. Well, generally the way it happens, Senator, is that they choose to underwrite, that's the term we use a particular program. And they associate, as Exxon did with Great Performances, they associate with particular programs in the schedule. And they have that right and that option.

We do not often—and in fact, I do not know of any case where a corporation has said: Here is an amount of money; use it as you will. They almost always or they always have, to my knowledge, applied that money against a particular program.

Senator EXON. And do you control the amount of money that they can donate if they want to select the MacNeil-Lehrer program, for example?

Mr. CHRISTENSEN. The amount of money is generally associated with the cost to produce the program. And AT&T supports a portion of the MacNeil-Lehrer newscast, not quite half of the total cost. The rest of the money comes from public television stations and from the Corporation for Public Broadcasting.

Senator EXON. Since it is such a popular program and since it is, I suppose, one of the most widely viewed of public radio and television programs—is that true? Is it the most widely viewed?

Mr. CHRISTENSEN. It is not the most widely viewed, but it is among the most popular of our news and public affairs programs.

Senator EXON. In order to raise more money, would and should it be possible for more of the money to come from organizations like the corporations you just mentioned, so that not only would the MacNeil-Lehrer program be self-sustaining, but be in a position to draw contributions that would help finance the other parts of the operation that obviously are not and cannot be self-sustaining?

Mr. CHRISTENSEN. Well, we would like to think that more money would come in for the MacNeil-Lehrer NewsHour and programs like that over time. And we see that, as I told Senator Rockefeller, it goes up and down over the course of time.

Some years we have more money from corporations in our national program service and other years we have less. It is a circumstance very often of what the public television stations themselves are able to generate by way of program ideas, and that is very much tied back to the Federal appropriation and the ability for us to come up with initial concepts and program ideas that people are willing to underwrite.

That is the way the partnership seems to work.

Senator EXON. My next question has to do with the budget. President Reagan, as you know, has vetoed the last two reauthorization bills for the Corporation for Public Broadcasting.

What have you been hearing lately from the White House or from the Office of Management and Budget, given the new attitude

seemingly in the budget that came down from the White House this year on such programs as education that were devastated in the budget a year ago?

And this Senator, among others, took great exception to that. Has there been a new day dawning at the White House on the realization of the overall need and priorities, or have not their latest forthcomingness extended to public broadcasting?

Mr. LEDWIG. Senator, I cannot speak for the White House and their attitudes. I can say that they are proposing this year and into future years a level of funding at $214 million, which is a freeze.

The bad news is that that amount does not pay for the satellite, and by not paying for the satellite we would have to pull in our resources from other sources, which would just be devastating to the system, or cause us to go off the air nationally. And so that is the bad point.

Senator EXON. Comparatively speaking, what was their budget a year ago compared with this one?

Mr. LEDWIG. They were proposing last year to end Federal support over a period of years, down to I think about $40 million by 1991. It was a phase-out proposal to end Federal support. And so that has changed.

Senator EXON. The answer to my question then is that there has been some more realistic thinking at the White House and OMB than there had been in the past?

Mr. LEDWIG. Improved, but inadequate.

Senator EXON. Do any of you care to add to that?

[No response.]

Senator EXON. My last question, Mr. Chairman, has to do with the independent producers. There has been some talk now about independent producers wanting a certain percentage of the funds that would be earmarked for production costs. Would you care to comment on that, and what is the attitude of each of you?

Mr. LEDWIG. Senator, the Corporation for Public Broadcasting relies upon and has great respect for and uses independent producers. We think they do a great job and they are very important to the quality programming that we produce.

They are particularly effective in documentaries, news, and cultural programs. We use them as part of some of the major national series that we support from the Corporation; Frontline, WonderWorks, and American Playhouse are good examples.

By using independents in those areas, their best works can be shown to much larger audiences. Some ten years ago, the Congress asked us to take a hard look and improve our support for independent producers. At that time the Corporation was spending about 5 percent of its program fund dollars for independents. Over the ten-year period we have increased that to around 45, 46 percent, and so we have been responsive to that particular request from the Congress.

We believe we have been responsive to independents and we believe we have used them responsibly in the series and in other ways including open solicitation funding for their programs where they can be most effective in serving all of the American people.

We also use our producing stations. We use our educational systems and others to produce the quality programming that we have.

We are driven by quality programming. That is our objective for all Americans. Independents are major supporters of that. We support them for that reason.

But we believe that there is no contrary record to our record of success in supporting independents.

Senator EXON. Thank you.

Any further comment?

Mr. BRUGGER. Just that at the station level, Senator, we have a lot of individual stations who are not just using the CPB dollars. They are dependent upon the consortiums that CPB has put together to get the American documentaries out to the system in a way that an audience can view them and to maximize the audience for them.

But they have their own funds at the station levels and they are putting in millions of dollars to broadcast local independent programs in communities like Chicago, New York, and Boston. And so that combined there is a lot of use of independent producers across the country.

I think the record needs to look not only at what the CPB dollars are doing, but what individual stations are also doing.

Senator EXON. Mr. Bennet.

Mr. BENNET. Senator, from the radio perspective, which I think is slightly different on everybody's part, we use independent production for about 20 percent of our news programs and almost half of the specialized audience work we do.

We have recently adjusted our rates so that they are more competitive, which means that those independents are getting paid more fairly for that support.

The other side of the equation in radio, at least, is that we have not satisfactorily solved the question of the editorial independence of an independent. The independent naturally wants to have control over the final product, and if they are in effect working for national public radio that is hard to do.

There is independent product that goes to stations directly, which is carried and where the independent's editorial independence is preserved. But I have given this a fair amount of thought lately and I would not represent to you that we have a solution in public radio.

The closest that we have been able to come and what I think is working is to create sort of framework programs. I mentioned Performance Today. Performance Today is a very felicitous vehicle for putting in independent production and getting it carried.

It is predictable from the stations' point of view. It allows a fair amount of editorial flexibility, but it still is not perfect. And all I can say to you is that the question is a legitimate one and it is one that we are just having to work on.

I think we are making some progress.

Senator EXON. Thank you.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Mr. Bennet—actually, this is a question that I could easily or as easily direct to any of the other panelists. In terms of programming

decisions, what criteria do you employ to try to achieve what I will call programmatic equity, in the sense that you are seeking to appeal to tastes other than what may be the mainstream?

On the one hand, I think you probably consider that you have an obligation to respond, to provide programming that will be of greatest benefit to the greatest number of people. On the other hand, I represent a state that increasingly is attracting new residents, some of them from foreign lands as well as from other states. I have heard a criticism of local public television, which I occasionally have the leisure to watch and to enjoy.

A criticism that was read as a letter to the management of the station the other night as I was watching complained that, while there were enjoyable British productions being given air time—and I happen to like those—but the point was made, and I could not help thinking at the time that it was a valid point, that others might seek something that responded more to their own culture.

And I just wondered. That is necessarily subjective on the part of that listener, but it is not necessarily something that could not be objectively measured. You measure audiences all the time. You certainly measure their reaction.

What criteria dictates programmatic selection? And this has less to do with the question of independent production, although it relates to that, as to just on the broader range selection of program content.

Mr. BENNET. It is easy to get trapped in statistics and I will try not to when I answer. But let me just say that we take very seriously in public radio the mission of reaching a diverse audience and serving diverse interests.

Newcomers to the country was your example and that is a good example, but also handicapped and various other audiences. One way we try to do it is through the mainstream programs, and that you do by trying to be sure that at the highest editorial levels of NPR, for example, that there is a wide range of people represented and views, so that programs have breadth and bring the general public, including minorities and others, material that is of interest.

The other way we do it is with what we call specialized audience programming, and probably not a great term, but we have a very firm commitment to provide programming for a variety of special interests, and that program takes lots of different forms.

At this point, as I know you know from your home town, we are in the process of revising our Hispanic language offering. And the purpose of that is to try to reach a larger audience more effectively. And this gets to the specifics of your question.

There is no way to tell statistically what the break point is. But what we look at is the number of station hours per dollar spent and the number of listeners reached per dollar spent.

And if something is vastly more costly than the other specialized audience programming, let us say, and certainly it is going to be more costly in those terms than our general programming, then it raises some questions.

What we are doing in the Hispanic audience area at this point is we have had a very fine program coming out of San Diego called Enfoque National, which unfortunately has not had substantial carriage or audience. And we are reorganizing the resources, hope-

fully in a gradual way, but in a way that is producing some pain to people.

We are going to produce a daily—this is a half hour weekly program in Spanish. We are going to try to produce a daily program in both Spanish and English that will be 14 minutes long, so that it will be there at a predictable time and hopefully be more carryable by stations, thereby becoming more efficient in terms of getting audience.

It is not an arbitrary process. It is something that is done with consultation.

Let me give you another example. I mean, we have just put on the air within the last six months a thing called the Latin American News Service, which is a daily service about Latin America produced by our member station in El Paso. And it is on about 70 stations now.

It is not a substitute for Enfoque National, but the point is to try to bring a service to people in this country of Latin American origin on issues that matter to them in a way that still is hearable and significant to the general audience.

Senator WILSON. Well, in terms of making that kind of a decision, in other words, you are guided by the measurable response that you are getting to programming?

Mr. BENNET. Understanding that the measurable response is a ballpark estimate. I mean, again the statistics can betray you.

Senator WILSON. Well, as I understand it, the particular example that you mentioned a moment ago, I thought I understood you to say that while you thought the show had excellent content, you found by some kind of a ratings service or measurement of audience reaction, that it was not generating much listenership.

Mr. BENNET. That is correct.

Senator WILSON. And it was your conclusion that it was not so much the content as it was the format, that it was too long or what?

Mr. BENNET. There were numerous format issues. The fact that it was a half hour a week, while it works in a television context, really does not work too well on radio, because people expect things to be there sort of through the week on a predictable basis. And stations do not like to interrupt another format to carry a half-hour show. It happens, but it makes the carriage problem more difficult.

Secondly, this show was in Spanish and the reality is that almost all the public radio stations in the country are English language stations. And as one of our board members, Ignacio Lizano, who is publisher of L'Opinion in Los Angeles, he said: I cannot put English language in my Spanish newspaper and expect people to read it.

So what is the solution to that? What we think the solution is is to format a program so that it will work for radio and then go where the Spanish listeners are, the Spanish speaking listeners, which happens to be on commercial radio in this country.

And so our plan is to produce a parallel 15 minute through the week strip on issues of interest to Hispanics in the United States, put the English on public radio, and make the Spanish available to commercial stations. We have done some survey research. The

Latin American News Service that I mentioned is in a Spanish version which the stations now are putting on, Spanish language stations.

And in the long term—I mean, one of the proposals that is before you today is to increase the number of CPB qualified stations in order to build a diversified audience. And what I would love to see is a sophisticated diagnosis of the needs of Spanish speaking people in this country that could be met by some version of a public radio station. It is not going to be a public radio station that looks like most of the ones that we have, and should not be. It ought to be a different kind of station.

And at that point, you could begin to seriously program in Spanish and hopefully build up a small network of stations that would be reaching Spanish speaking people. And that having been said, there are a lot of our NPR member stations that do carry Spanish language programming and that do serve Spanish speaking audiences.

And in addition to that, I might point out that there are 250,000 Hispanics listening to All Things Considered in the morning edition every day, too. I mean, it is not that we are not serving the community, but I do not know that we are serving the Spanish speaking only community as well as we should be.

So we are trying to think of new ways to do that.

Senator WILSON. Well, your comment just now is particularly interesting to me. You said that you think that there should be some kind of study undertaken, really, to provide programmers like you with an opportunity to be able to gauge the needs of and respond more specifically than you can now to the needs of, in this case, an Hispanic audience, although it could be in another market another group that you are targeting.

Is anything of that kind in progress, or is it contemplated?

Mr. BENNET. The only thing that we have done, just because the funding has been very short, the best thing we could think of to do was to go where we knew the Spanish listeners were, namely into the commercial stations, and do a survey of commercial stations about what they felt they needed by way of public affairs programming, which is one of the things we do, and that is our expertise.

And we have got a pretty good answer as to what that is, and we are hopeful that we will be able to actually start reaching people pretty quickly through that medium. It is not a perfect expedient, but it is an utterly unsatisfactory expedient to simply say we are continuing to produce a program that relies on money from our stations and the public and so forth, and that actually is not serving people very much.

And we are in that transition now, and it is one that we take very seriously.

The issue, the real issue, is what is—if you are a Spanish speaking American and you want to listen to radio, what are you missing that is of a public value, that can be supplied by public radio? And at this point we do not have the answer to that question.

Senator WILSON. Thank you.

Mr. Ledwig?

Mr. LEDWIG. Yes, Senator, if I might answer from the Corporation's point of view, we try and we do set aside and fund minority

programs, programs that are by and about minorities but that are not just for minorities. In other words, they are for all Americans. Eyes on the Prize was a good example, produced by blacks about the black experience in the civil rights movement, but a program for all Americans. That is what we look to do so that these audiences, minority audiences and majority audiences, can learn about other minorities in viewing or listening to a particular program. This serves all Americans. It serves the needs of particular minorities, and it carries out our mandate to provide programming for all Americans.

And we are always looking for the best programs, and when we find a good program, we fund it through a radio program fund in radio and through our program fund in television. Some 22 percent of our program fund in television goes to programs by and about minorities, but for all Americans. We funded the Latin American News Service, Music from Latin America, Crossroads, immigration law reform programs, and are currently working with NPR to enhance and build into Morning Edition and All Things Considered some minority special programming.

On television, we funded the Ballad of Gregorio Cortez, a new series about Mexico premiering this fall. Frontline has done a number of programs about Central America, and special immigration programming has been provided.

So we are very sensitive. We have a separate office that handles human resource matters so that we can bring minorities into public broadcasting and assist in that, but also to assist in programming so that our programming is diverse and serves all Americans.

That is what we are committed to. That is what we do, and we vote with our dollars that you appropriate for that kind of programming.

Mr. BRUGGER. Senator, also when you talked about criteria being used, each station has a local board, and stations have community advisory boards made up of diverse parts of the population. All of them have input into the programming process. When program directors and station managers and so on are out there meeting with their communities, all of that affects how that station programs its air.

Because of all the programs that are offered now, regardless of what CPB funds or the three or four channels of information that PBS is transmitting, program directors at those local stations, based on that community input and needs assessment, are pulling out programs and putting together their own schedules. And so that in itself has an impact. Many times, where they find a lack of programming from the national level to meet those kinds of special needs, they are producing local programming to meet special needs.

You mentioned the fact that a letter was being read to a station manager by a citizen. I think that is one of the perfect ways to affect how a station programs. It is for that local community to bring that problem or those issues directly to the stations. And one of the things that we have seen is that the stations are very responsive to the local community. That is where their dollars are coming from for the most part.

Senator WILSON. Thank you.

Thank you, Mr. Chairman.

Senator INOUYE. Senator Danforth.

Senator DANFORTH. Mr. Chairman, I just have one question.

Some school districts are purchasing satellite dishes in order to bring television into their schools. In fact, the Department of Commerce has made available a small grant to the Missouri School Boards Association for the purpose of purchasing satellite dishes. The idea of the grant is that there are a lot of Public Television programs that are very good educational tools.

In addition to that, the Missouri School Boards Association has developed its own network in connection with Oklahoma State University and Eastern Washington.

Do you view this as a coming trend? Is this a good idea, a spectacularly good idea, and is it something that we should be paying more attention to?

Do you think that—I mean, conceivably, I suppose, we could put a satellite dish in every schoolhouse in the country if it was a spectacularly good idea, in a way that we could provide real aid to education.

What do you think of this concept?

Mr. CHRISTENSEN. Senator, I think it is a spectacularly good idea. I think it holds promise for the delivery of programs into communities that otherwise would not have them available. While there are many school districts in the country that have access to public television program services like the services from South Carolina ETV, there are others that have access to almost no educational programming other than that which they might get by video cassette.

The manager of the North Carolina State network, Jake Dunlap, recently told us that his State was looking at the delivery of satellite services to the communities all across North Carolina. He suggested that the State was willing to invest something on the order of $3 million in the delivery of those satellites, leasing the satellite time and putting all of this together. At the same time, they were only spending $87,000 on the programs going into the school districts themselves. While it is a spectacularly good idea to deliver the programs, we have got to spend a lot more attention on the programs themselves, their production, their suitability for the various school districts and on, developing a means so that the various State departments of education can be satisfied that these programs in fact meet the educational requirements of the various States and the districts within those States. It seems to me that we often get caught up quickly in the technological value of these services without paying enough attention to the content of what is being delivered.

I think while it is a good idea for this committee to spend time looking at and encouraging this sort of activity technologically, it is probably far more important that attention be focused on the production of programs suitable for delivery as this moves forward.

Mr. BRUGGER. If I might, Senator, I have a letter that I just received recently that illustrates that very point. The Kentucky Educational Television Network is planning to put satellite dishes on the schools all across Kentucky, and the superintendent from the independent schools, the smaller schools in the State, wrote a letter saying that, as you know, small schools have been criticized over

the years for not providing extensive course selections to students, i.e., advanced placement English, gifted education programs, science and social studies. We believe that the KET mechanism can go a long way toward providing more programming, and the smart thing to do is put the service to the have nots before the haves.

They have put a great investment in their programming. One of the things that we are asking for, as Bruce said, is more dollars to the programming because a lot of times the technical costs are a minor, up front cost. It is the long term investment in our capital, which is the programming. That is what we thrive on, that is what we live on, and that is the only way we are going to stay competitive.

Senator DANFORTH. Thank you, Mr. Chairman.

Senator INOUYE. According to the subcommittee's mail bag, two issues or concerns stand out. One is Hispanic programming, and the other one, independent producers.

We actually have two measures pending before us. One is S. 2114, and the other one is the House counterpart, H.R. 4118. These two bills are almost identical with the exception of the definition of independent producers. In the House bill, independent production would mean a production which is not affiliated with CPB, PBS or a broadcast station or consortium or entity that includes a licensee in a manner which would require the CPB or PBS to exercise editorial or financial control over such a production.

I would gather that under this definition, Frontline would not be considered independent, and those who support Mr. Markey's bill would suggest that only a small, small amount is set aside for "independent" or "individually independent" producers, and therefore contend that the 1978 law which required "a substantial amount be set aside for independent production" is not being followed.

What are your thoughts on this?

Mr. LEDWIG. I believe that a substantial amount, some 45 up to as high as 52 percent of our program funds for independents is sufficient to make us in compliance with the law. By simply redefining independents down to make it a narrower group does not really change the reality of what we have done for these producers who are independent. You will have testimony from later panels from independent producers who produce some spectacular programming for public broadcasting and for the American people.

We have a definition that is different than in Congressman Markey's bill, and we go by that definition, and we think it is a good one, it is a broad one. I am not sure you can legislate programming by defining people in different categories with legislation and then directing funds according to those definitions.

Senator INOUYE. Do you exercise editorial or financial control over programs such as Frontline?

Mr. LEDWIG. No, we do not. We financially control in the sense that we have a contract with Frontline, and we sit with them from time to time, and we make sure that we are receiving what we contracted for, but the editorial control is with Frontline and with the consortium that produces it and their executive producers, and then with the independents—there is a relationship between them and the independent producers when they are using an independent production for Frontline.

Mr. CHRISTENSEN. Senator, I think from our standpoint, the problem lies in the definition. I think it would be a shame to define out of existence independent producers that are working for Frontline, for American Playhouse, for Wonder Works in delivering programs that make an important contribution to those programs.

I certainly understand and am sympathetic with difficulties in raising money. Our own producers, as I have said before, spend an enormous amount of time simply going around trying to get enough money for the productions. And I think that defining independent producers in the way that is suggested in the House bill is counterproductive to the efforts that all of us have engaged in to see that independent producers are making a contribution to the diversity of editorial opinion represented on public television.

Senator INOUYE. What percentage of your funds is set aside for individual producers, not the big independent producers?

The mail that we get apparently is coming from the so-called independent individual producers.

Mr. LEDWIG. Well, we have an open solicitation in the program fund of $6 million a year, but all of the major consortia—not all, but many—use independent producers as well.

When you add it all up, it comes to our 40 percent range, 45 percent range.

That is our position with regard to these producers.

Mr. CHRISTENSEN. More than half of the money that we have in the various program funds that PBS has anything to do in administering those funds go to independent producers. In the joint fund we put together with CPB and PBS, to try to get new programs going, over half of that money in the last two years has gone to independent producers.

Senator INOUYE. I gather that you would be opposed to the Markey definition of independent producers.

Mr. CHRISTENSEN. Certainly opposed to it going into the law the way that the House is proposing.

Senator INOUYE. My last question is on the Hispanic issue.

Do you also have programs in other languages other than Spanish?

Mr. CHRISTENSEN. We have this year a French program that is actually a French course, 39 or 40 programs that were funded by the Annenberg Project at CPB. That is being distributed by our public television stations. But that is the only one that I know of that is on public television in a language other than English or Spanish.

Senator INOUYE. Do the advocates of Hispanic programming have justification in complaining that CPB does inadequate Hispanic programming?

Mr. LEDWIG. Mr. Chairman, I think there could be more Hispanic programming. I think we can do a better job, but we are doing a good job, and we are sensitive to it, and we are continuing to place funds in those programs.

If we had increased funds, we would do more in all areas. We would do more to increase the quality of the programs again so they could be used and viewed and enjoyed by all Americans, not just the minority that it is about. That is our objective and what we are trying to do.

The question of whether programs should be in a foreign language or not, or Hispanic programming should be in Spanish or not, I think is really an unresolved issue within the Hispanic community. We tend to emphasize programs that are by and about Hispanics but that are in English and that serve all Americans who want to learn more about that important minority in the country.

Mr. CHRISTENSEN. Senator, there are some technological developments that we are anticipating in the distribution with various satellite services where multichannel programming can be made available. It is conceivable in the not too distant future that where we now have a side access channel which is used now for descriptive programs for people who are visually impaired, there also could be a Spanish language track which would allow us to distribute a program in two or three or four languages.

So we anticipate that some of what will happen in the future will allow us more broadcasting on the television side in multi-language formats.

Senator INOUYE. Mr. Bennet.

Mr. BENNET. Mr. Chairman, if I could just take the example that I was discussing earlier with Senator Wilson, I mean, that the tradeoff between this older service and the new service we are starting, we are going to be producing twice as much programming for much less money. The programming will be in English initially, not Spanish. The cost is not associated with the language. The thing that is associated with the language is whether you can get it carried or not, and we hope that this new service, because of its format, will be carried so that we will be producing something that provides a better window and a regular window for organizations and individuals and causes and concerns of particular interests who, the Hispanic audience.

The answer to your fundamental question, it seems to me, is that the Hispanics are right to be concerned about the amount of programming that is actually getting through, I mean, the effectiveness, the end result of the programming, and that is the problem that we are trying to address.

I think it is a very important challenge, given the demographics of the country at this point, but beyond that, it is a very interesting challenge, and if we can meet it successfully, it is going to do a lot for public radio by increasing the diversity of the audience and strengthening this grass roots apparatus that we have already got in place.

Like so much else that we do in public broadcasting, it is not finished yet, and I hope it will not ever be finished.

Senator INOUYE. In preparing myself for this hearing, I spent the last week just watching public television, and I noticed that there is almost no use of subtitles or captioning.

Can that be done for Hispanics?

Mr. CHRISTENSEN. Senator, the system we are using now is called a closed caption system, so that those who have hearing problems or hearing difficulties can buy a little black box, and then the text is inserted by means of that little black box so that not only in public television programs but also commercial programs where you see the little sign that says closed captions on the program, that service is available.

At the present time all of our resources are invested in closed caption use for the hearing impaired. Future Spanish language use is a technical problem that we may be able to work out over time but right now it is not possible for us to do so.

Senator INOUYE. Well, I noticed in Hawaii, for example, in the commercial stations concentrating on Japanese language, that most of those who watch the movies are non-Japanese because of the English captioning.

Mr. CHRISTENSEN. That is an open caption system.

Senator INOUYE. Yes.

Why can you not do that? Then the Spanish can understand and the non-Spanish can learn Spanish.

Mr. CHRISTENSEN. That is a proposal we will look at, Senator.

I do not have an answer for you right now in terms of why we do not do it other than one associated with the expense of putting it in and the objections some would have to having their programs cluttered with captions.

Mr. BENNET. Senator, could I ask that a resolution of the National Public Radio Board on the question of Hispanic programming be inserted in the record because it is an important basis for what we are trying to do, and I will supply it if I may.

Senator INOUYE. That will be included by reference.

I thank you very much.

I have a lot of questions here that I will submit for your response, if I may.

We went on longer than we anticipated, but I think this is a very important subject matter.

So thank you all.

Our second panel consists of Ms. Lynn Chadwick, President of the National Federation of Community Broadcasters, Mr. David Britt, President and Chief Operating Officer, Children's Television Workshop; Mr. Alfred Vecchione, President, MacNeil/Lehrer Productions; and Mr. Arnoldo Torres, Director, Latinos in Public Telecommunications.

I call upon Ms. Chadwick first.

STATEMENT OF LYNN CHADWICK, PRESIDENT, NATIONAL FEDERATION OF COMMUNITY BROADCASTERS

Ms. CHADWICK. Mr. Chairman, I am Lynn Chadwick, the President of the National Federation of Community Broadcasters, known as the NFCB. I want to thank you for the opportunity to bring to your attention the concerns of our membership.

My affiliation with public broadcasting began 12 years ago when I was an independent radio producer struggling to find an outlet and a national distribution system for alternative and feminist radio programs. NFCB was that avenue.

I managed a public radio production and training center before joining NFCB as President.

The NFCB is a membership organization representing over 65 community based public radio broadcasters and another 125 associated noncommercial stations, producers and related organizations. We have grown to our current membership from a group of 20 stations that first gathered in Madison, Wisconsin in 1975. The diver-

sity of our membership is represented by stations ranging from volunteer operated WBAI in New York City to reservation Native American stations KILI in South Dakota, WOJB in Wisconsin and KMHA in North Dakota, to Hispanic stations such as KSJV in Fresno, California, urban black stations like WPFW in Washington, D.C. and WRFG in Atlantic, rural stations like KAXE in northern Minnesota and KCAW serving Sitka, Alaska.

The NFCB strongly supports the continuation of funding for the Corporation for Public Broadcasting at the highest possible level, given the other national priorities and needs facing the country. Public broadcasting's role is critical for our society and for the development of our culture as information and an informed population become more and more valuable. One-third of the NFCB stations currently qualify for Federal community service grants distributed by CPB. Nearly two-thirds of our members do not share in the Federal dollars distributed to public radio because these stations fall short of the current established criteria in terms of their income and staffing.

Their poverty should not be a barrier to participation in the community service grant program. Stations serving rural or minority audiences face extremely difficult financial circumstances. Under current CPB guidelines, WETA in Washington, D.C. and KRZA in Alamosa, Colorado, one of the nation's poorest counties, must meet the same basic criteria for Federal support. NFCB recommends reevaluation of the CPB criteria for distribution of Federal dollars in order to serve more people and their communities.

Federal support for the satellite replacement purchase is important, and we strongly support it. We also support a provision to make the satellite interconnection system available to all public radio stations. The benefits of the satellite in terms of programming and information flow are denied to public radio stations that cannot independently afford the dishes and the demodulation equipment necessary to receive the signal.

When the first satellite was launched CPB helped many stations to buy the ground equipment. These stations have since prospered and grown. We believe this same push forwards should be given to many new stations that have recently gone on the air.

If more community based public broadcasters have access to Federal dollars, you will then ensure that the programming available on public radio will serve the widest possible audience and will bring the widest possible perspective to issues of concern. Bringing information to the public via public radio is a cost-effective investment of Federal dollars in our greatest resource, our people.

Thank you.

[The statement and questions and answers follow:]

STATEMENT OF LYNN CHADWICK, PRESIDENT, NATIONAL FEDERATION OF COMMUNITY BROADCASTERS

Chairperson, and members of the committee, I an Lynn Chadwick, the President of the National Federation of Community Broadcasters (NFCB), and I want to thank you for the opportunity to bring to the attention of this committee the concerns of our membership.

My affiliation with public broadcasting began in 1976 as an independent audio producer, struggling to find an outlet and a national distribution system for alternative and feminist radio productions—NFCB was the avenue. Then for four years I

managed a public radio production training center; and after completing a Masters Degree in Public Policy from the University of California at Berkeley I joined NFCB in my current capacity.

I have experienced the public broadcasting system—as a avid radio listerner and interested television watcher, a producer, and through management and policy development of a national organization.

The NFCB is a membership organization representing over 65 community based non-commercial radio broadcasters, and another 125 associated non-commercial stations, producers, and related organizations. We have grown to our current membership from a group of 20 stations that first got together in Madison, Wisconsin in 1975.

Our membership includes the original listener-sponsored station, on the air since 1948, KPFA in Berkeley, California. We also have members that are still struggling to start a station, from Mendocino County in California, to Radio Catskill in New York State. The diversity of our membership is represented by stations ranging from volunteer operated WBAI in New York City, to reservation Native American stations, KILI in South Dakota, WOJB in Wisconsin, and KMHA in North Dakota, the Hispanic stations such as KSJV in Fresno, urban Black stations like WPFW in Washington D.C. and WRFG in Atlanta; and rural stations like KAXE in northern Minnesota, and several Alaskan stations serving remote communities.

The NFCB strongly supports the continuation of funding for the Corporation for Public Broadcasting at the highest possible level, given the other national priorities and needs facing the country. Non-commercial broadcasting's role is critical for our society and for the development of our culture, as information and an informed population become more and more valuable.

Prudent use of federal funding must include service to an many citizens as is possible given the available resources. For public broadcasters, this means increasing the number of persons in the audience and improved service to communities that are otherwise ignored by other broadcast entities because of commercial broadcasting goals, or programming directed toward mass audience appeal.

One-third of our members currently qualify for federal Community Service Grants, CSGs, distributed by CPB. Nearly two-thirds of the NFCB stations do not share in the federal dollars distributed to public radio because they fall short of the current established criteria in terms of income and staffing. Their proverty should not be a barrier to participation in the Community Service Grant Program. Stations serving rural or minority audiences face extremely difficult financial circumstances. NFCB recommends re-evaluation of the criteria for distribution of federal dollars in order to serve more people and communities. Wider distribution of CPB's funds would provide more stations with the financial resources to broadcast nationally distributed programming—whether it be NPR's "All Things Considered" or other national programming, as well as training programs and station consultation services currently restricted to CSG qualifies stations.

Additionally, there are necessary investments to be made in the infrastructure of the satellite interconnection. Federal support for the satellite replacement purchase is important—and we strongly support it. We also support a provision to make the satellite, purchased with federal funds, available to all citizens. The benefits of the satellite in terms of programming and information flow are denied to public radio stations that cannot independently afford the dishes and the demodulation equipment necessary to receive the signal. Federal dollars provided this equipment to many public stations on the air ten years ago when the first satellite was purchased. Market size, station budget or audience should not be a barrier to access to federally funded resources.

If more community-based public broadcasters have access to federal dollars then you will insure that the programming we hear on public radio serves the widest possible audience, and brings the widest possible perspective to issues of concern. Bringing information to the people via public radio is a cost effective investment of federal dollars in our greatest resource, our people.

Questions of Senator Inouye and the Answers

Question 1. How many of your member stations are not CPB qualified?

Answer Of the 63 participant members of the National Federation of Community Broadcasters, 39 are not CPB qualified.

Question 2. How many of those stations program formats are directed towards Hispanics, Blacks, Asians, American Indians, and women?

Answer. A requirement of NFCB participant membership is that the stations include substantial representation by minorities and women on the board that oversees station operations. Virtually all of these stations have programs in their schedules that are specifically targeted to women and specific minority audiences. Of the unqualified stations: three are Hispanic-controlled and program primarily to the Hispanic community; six are Black-controlled and program primarily to Black audiences; three are American Indian-controlled and program primarily to that audience.

The remaining 28 are largely rural or in smaller towns.

Question 3. How many of those stations provide programming in a language other than English?

Answer. The American Indian stations and Hispanic stations provide other-than-English programming. Many of the stations provide Spanish language programming. There are a few stations broadcasting part of their schedule in Chinese, Hindi, Ukranian, German, French, Hmong, Italian, Pakistani, Korean, Gaelic, Laotian, Farsi, and Vietnamese and other languages. NFCB has identified 121 minority-controlled public radio stations throughout the country. Of these: fifty-two are Native American controlled, 10 stations CPB-qualified; 54 are Black-controlled, 10 stations CPB-qualified; 15 are Hispanic-controlled, 5 stations CPB-qualified. None are Asian-American controlled.

Question 4. How should the CPB criteria for radio stations be revised to expand the number of qualified stations without undermining the CPB's fiduciary duties?

Answer. You have put your finger on the crux of the issue with this question. It is difficult to answer because much of the needed data has never been made available. We believe that CPB has gathered many of the information elements needed to redesign the criteria. NFCB has submitted a proposal to CPB to develop the answer, which I have enclosed with this letter.[1] The letter to Tom Kazee of the House Subcommittee on Telecommunications and Finance describes the current criteria review process and the need for Congressional support of the re-evaluation.

The current system has not demonstrated a willingness to redesign the criteria in order to make more minority and rural stations eligible to receive CPB dollars. My hope is that the CPB reauthorization report will urge CPB to study ways to bring more of these stations into the system. I base this request on the assumption that public broadcasting should make every effort to fulfill its original mission: to serve those audiences unrecognized by the general media.

Senator INOUYE. Thank you.

Mr. Britt.

STATEMENT OF DAVID BRITT, PRESIDENT, CHIEF OPERATING OFFICER, CHILDREN'S TELEVISION WORKSHOP

Mr. BRITT. Thank you, Mr. Chairman.

We appreciate this opportunity to testify and thank you, too, for your long record of leadership and support for a strong public television system, whether in this chair or in the Appropriations chairs in which you also sit so ably.

We urge the subcommittee to authorize higher levels of appropriations for CPB, at least the $395 million recommended by CPB for fiscal year 1991. In addition, we urge the subcommittee to authorize $200 million for rebuilding the satellite, and full support for the facilities program.

Children's Television Workshop is a non-profit, independent production organization. Our mission is the education of young people through mass communications. CPB supports our educational efforts in two ways. First, community service grants are used by public stations to pay about one-third of the costs of Sesame Street. CTW itself finances the other two-thirds. Second, direct funding by CPB helps support two other workshop daily series, Square One TV on mathematics and 3-2-1 Contact on science.

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[1] The enclosure was not reproducible.

There are many reasons why an adequate level of Federal funding for public television is crucially important, but I would like to focus on the one that we know something about, children's education.

Children's educational television reaches children at home, in daycare and in other informal educational settings, and in classrooms. Indeed, wherever children our, our series reach them with new opportunities to learn which are nonpunitive and which effectively extend the educational day. As we all know, American education is in crisis. Learned commission reports, public opinion polls, national and international achievement scores all paint the same picture, a clear and growing need for improved and expanded educational efforts.

Educational television must be better utilized to help in this work. Well-documented research on Workshop series demonstrate that children learn from educational television, and that they enjoy doing so.

The fact is that public television is the only available channel for broadcast of educational programming for children. It is crystal clear that the commercial television marketplace will not provide such service. It now seems equally clear that without a substantial increase in funding for public television, children's educational programming may not survive as an effective service, especially in the afternoon. The reason is the sharply increased level of entertainment-only programming directed at children in the afternoon by commercial stations.

In major markets today, a child frequently has a choice of three to six channels, including cable channels, other than PBS, which are directing cartoons, reruns of sitcoms and other kinds of entertainment programming at her or at him. And as a result, afternoon children audiences for individual stations, whether commercial or public, have gone down in the last two or three years as children's viewing is cannibalized among many different channels.

A few public stations have even considered abandoning educational television programming in the afternoon to counterprogram for a potentially larger adult audience.

Support from the Congress for public stations depends on the ability of quality educational programming to attract substantial audiences. Our programs can do so if we can afford the financial cost of adapting to the new realities of megacompetition in the afternoon.

We need more new programs. We need to cut back on the reruns of our current programs. We need more promotion and more outreach efforts to community and to other child serving organizations to make it possible for us to extend and enlarge our basic role in the education of our young people.

We in public television stations know how to do what is needed. What we need is a larger level of resources to be able to do so.

Mr. Chairman, education has been a mainspring of support for funding public television. In turn, public television is the only source of quality educational programming available for children, and public television will need substantially more funds in the years ahead to continue to fulfill this basic element of its mission.

We understand that these are tough times in which to urge greater Federal spending on anything. We do so only because of the lack of alternatives to education through public television and because of the crucial importance of investment in education.

Thank you, sir.

[The statement follows:]

STATEMENT OF DAVID V.B. BRITT, PRESIDENT–CHIEF OPERATING OFFICER, CHILDREN'S TELEVISION WORKSHOP

Mr. Chairman and Members of the Subcommittee: Thank you for this opportunity to testify on reauthorization of Federal support of public broadcasting. Thank you, too, for your long record of leadership and support for a strong public television system.

I am here to urge this Subcommittee to authorize higher levels of appropriations for CPB—specifically, at least the $395 million recommended by CPB for FY 1991. In addition we urge the subcommittee to authorize $200 million for rebuilding of the satellite network which carries the PBS signal around the country, and full support for the public telecommunications facilities program.

The Children's Television Workshop is a non-profit, independent production organization reporting to a distinguished Board of Trustees (list attached). Our mission is the education of young people through mass communications. CPB funds help the Workshop's educational efforts in two ways:

Community Service Grants are used by public stations to pay about one-third of the costs of Sesame Street each year. CTW itself finances the other two-thirds; and

Direct funding by CPB helps support two other Workshop educational series for children 8–12 years old: SQUARE ONE TV, a daily series on mathematics and 3–2–1 Contact, a daily series on science.

There are many reasons why an adequate level of federal funding for public television is crucially important; public affairs, ITV, cultural programming, to name a few. I'd like to focus on three that relate directly to the programs and mission of the Children's Television Workshop—children's education, children's education and—children's education.

The rhetorical gimmick is an old one, but it happens to fit three ways in which—with the support of public television—the Workshop's programs help this nation's children.

Children's education: the first is the traditional target audience for CTW programs—children at home too young for school, or viewing before or after the school day, whether with the encouragement of parents or as "latch key" children. Our programs provide a constructive alternative to the stiff competition for children's viewing, which is now most frequently new cartoons produced specifically for weekday syndication or re-runs of Saturday morning cartoons.

The Workshop's educational television series provide these children with new opportunities to learn, and it is accessible to almost everyone, regardless of the quality or resources of their local school or community. What's more, viewing educational television at home is a learning experience between the viewer and the set; that is, it is non-punitive, without invidious comparison with the achievement levels of other children. For children in trouble in school settings, that non-punitive quality can be a powerful incentive to try again, to not give up.

Children's education: the second reason is the importance of our programs in informal educational settings, such as day care, both informal and institutional, preschool programs, after-school science and math clubs, girl scouts or boys club programs. Increasingly children are not at home during the day, whether because of single or two working parent family situations or other outside programs. Here our programs serve a myriad of purposes: At a most basic level they simply provide friendship and familiar faces to children who find themselves in strange or new settings. And our programs are used to help attract children to constructive activities in preference to those which are unsupervised.

The effect of viewing children's educational programming in such settings is to usefully extend the child's educational day, to expand the time spent on the broad task of learning. Demographic data show that more and more children will spend more and more time outside the purview of home and parents. More and more the availability of children's educational programs integrated with other activities will be needed to help make that time constructive and useful.

Children's education: the third reason is use of children's educational television programs in classrooms as a supplement to other instructional media. For us such

use is an important second priority to informal viewing at home or elsewhere. All of our currently broadcast programs are widely used in schools—in math and science classes, and in language arts and social studies classes as well.

In the years ahead, the growing availability and declining prices of video cassette players promise to significantly increase the practical utility of educational television programs in schools. Television programs can provide field trips beyond the reach of any single school. They can reinforce lessons being taught, or introduce new topics beyond the confines of particular curricula or teacher experience and expertise.

Education of our children is in crisis. Learned commission reports, public opinion polls, national and international achievement scores all paint the same picture—a clear and growing need for improved and expanded educational efforts.

There are a variety of explanations of the causes of the current educational crisis, and a wealth of ideas—and a much smaller number of experiments—to deal with it. Most observers agree that educational improvement efforts face two difficult problems:

Time required for change of any kind to filter through our purposely decentralized system. It has been guestimated that a simple, widely agreed upon innovation takes 11 to 15 years to become routinely adopted in schools; and

Reaching the poor, as well as the rich with educational improvements.

Educational television can help. The range of well-documented research on Workshop series demonstrates—if any is needed—that children learn from television, and enjoy doing so.

With respect to the current education crisis, quality educational television can be put in place relatively quickly. For example, it takes the Workshop three to five years from idea to premiere to get a new series on the air. And educational television broadcast by public television stations is broadly accessible to almost everyone, whether rich or poor.

Public television is the only available channel for broadcast of educational programming for children. It is clear that the commercial television marketplace will not provide such programming, as even Mark Fowler, the formal FCC Chairman, acknowledged.

It seems equally clear that children need the additional learning made possible by educational television—and that there is no more important investment we can make as a society than in the education of our children.

Without a substantial increase in the level of funding for public television, children's educational programming may not survive as an effective service, especially in the afternoon.

The reason is the sharply increased level of entertainment-only programming directed at children in the afternoons, which is expensively and extensively promoted.

In the early 1980s, commercial stations decided that they would compete for the substantial afternoon children's audience with more than re-runs of sit-coms. First came re-runs of Saturday morning cartoons, followed by newly produced cartoons. In major markets a child frequently has a choice of three to six channels, including cable channels, other than PBS, which are directing non-educational programming at him or her.

With all the competition and hype, audiences for individual stations, both commercial and public, have gone down in the last two or three years, as children's viewing is cannibalized among many different channels. A few public stations, in their understandable and necessary search for viewers who may become subscribers, have considered abandoning educational television in the afternoon, to "counterprogram" for a potentially larger adult audience.

Support from the Congress and from public stations depends on the ability of quality educational programming to attract substantial audiences. We believe that our programs can do so, if we can afford to adapt to the new realities of mega-competition in the afternoon.

First, the data to date show that for the most part ratings declines are less for our programs than for individual commercial stations featuring "kid-vid," and that our viewing audience remains large.

Second, our own informal research with children has identified two key problems—especially for older potential viewers. They are:

Too many re-runs: Some children turn away because of the high proportion of re-runs in the public television children's schedule. For example, 3-2-1 Contact, our daily series on science for children 8-12, delivers 20 to 30 new episodes each year, about 10% of the total number broadcast. The initial 65 show season of the series was re-run six times before we could raise the funds to premiere the second season. Even Sesame Street, which produces many new shows, but repeats segments over

and over, may need to reduce the amount of repetition in each program, if we want to hold onto older siblings of our audience, who increasingly control the dial in the afternoon.

Insufficient Promotion: Children and their parents frequently tell us they are not aware of our series for older children. Once they move beyond regular viewing of Sesame Street, children, like anyone else, need to be reminded and persuaded to view—a lesson the commercial competition has learned well.

More new programs, more promotion, more outreach efforts to community and other child-serving organizations will make it possible to enlarge and extend our basic role in the education of children. We and public television stations know how to do what is needed. We need a larger level of resources to be able to.

Mr. Chairman, education has been a mainspring of support for funding public television. In turn, public television is the only consistent source of quality educational television available for children. Public television will need substantially more funds in the years ahead to continue to fulfill this basic element of its mission.

These are tough times in which to urge greater Federal spending on anything. We do so because of the lack of state, local or commercial alternatives to education through public television, and because of the crucial need to invest in education.

Senator INOUYE. Thank you very much.

Mr. Vecchione.

STATEMENT OF ALFRED VECCHIONE, PRESIDENT, MacNEIL/LEHRER PRODUCTIONS

Mr. VECCHIONE. Thank you, Mr. Chairman.

Thank you for giving me this opportunity to express some of my opinions.

I have worked on the television production line all of my adult life. Nowadays I run an independent production company whose sole business is the making of programs. In fact, my entire experience in television, spanning some 35 years, has been on the production line, making programs for national distribution in both commercial television and in public television. I think the context of some of my remarks against that background is important.

For the past 12 years, my direct experience has been in the making of only one program, the MacNeil/Lehrer News Hour. That singular experience may provide a useful insight, a microcosm of some of the larger issues that you have to consider here. The News Hour is, to the best of my knowledge, the biggest program in public television by almost any definition. It has the biggest slice of air time, 260 original hours per year, and it has the biggest budget. The size of its budget is obviously related to the large number of air time hours.

Mostly, though, the budget is so big because it is very expensive to keep abreast of events and developments all over the world and in turn, to be able to report on them intelligently and with the electronic and production techniques that audiences demand. Our annual budget is $20.6 million.

Of course, that sounds like a big number, and it is when compared to certain other things in the universe. When compared to other national television news programs, however, it is quite frankly very small. Consider the following.

Our nightly program is 57 minutes in length. A commercial national news program is actually 22 minutes long.

Of each network's approximately $300 million annual news division budget, it is a fair guess and probably a conservative one that $100 million of that goes to their nightly news program. If you do

the arithmetic, our program ends up costing $1,350 per broadcast minute. Theirs run about $17,500 per minute.

Of course, it is true that commercial news programs have heavier news gathering cost burdens than we do, and there are surely other costs which do not quite match up with ours on an apples and apples basis. Still, their spending ratio is as much as eight or nine times greater than ours.

So in our particular programming area, news and public affairs, we operate at a substantial disadvantage in terms of our ability to do the job well, deliver a good product, and attract the widest possible audience.

In other programming areas, I know the negative dollar ratios are just as dramatic.

Now, if a producer is good enough and lucky enough these days to resolve these problems and keep a program series going from one year to the next, a second major financial obstacle quickly rears its head. It is called inflation. Again, the News Hour is a classic example.

During the past four years, our annual budget has remained basically flat. In fiscal year 1985 the number was $20 million. In fiscal year 1988 the number is $20.6 million. That is a four year increase of $600,000, something approximating 3 percent over a four year period, less than 1 percent per year.

Our costs, in the meantime, have increased over that same period because of inflation and other price increases in the marketplace, by some 15 or 20 percent. Yes, we have survived, and so have others, but it is painful and frustrating at best, and at worst, our ability to continue is sometimes in doubt.

A word about one other subject: the basic system that exists in public television for making programming decisions, and I guess this somewhat relates to the matter of independent producers in public televisi n. Who gets the money, who gets the air time and so on.

In my opinion, the system is pretty sound. I have not always gotten the money or the air time that I have sought for different projects, but the reality is that I have always gotten a pretty fair shake. The system for selecting programs and allocating money is a democratic one, and like all democracies, it is a little cumbersome.

At the bottom line, what you have got is a selection process that is based on the majority voting rule. The station licensees, those organizations responsible and accountable for what is broadcast over their transmitters, vote, and their votes are weighted according to their respective market size.

While some of the decisions may be questionable according to someone's individual taste, the fact is that the program schedule which has resulted over the years has been a distinguished one. It has also been mostly balanced and mostly alternative, another public television mandate.

Finally, I want to say this. In my opinion, public television has done its job pretty well and spent the allocated monies pretty carefully over the years. There has been a good return on the investment of the American taxpayer and others who have supported it. When compared to almost anything else on the television spectrum

in this country, it continues to be a voice of sanity and civility in the vast wasteland, maybe the only such voice these days.

It does have money problems. It does. It seems less plausible all the time to me that the additional needed support will come from the private sector unless we change the rules and start selling commercials. So the only real alternative is to improve the Federal support levels.

Public television is a national resource. It is one of our valued national institutions. I know I am preaching to the converted here, but it is contributing in a very real way to the quality of life in this country. The importance of keeping it strong transcends any self-interest on my part.

I have put a lifetime into this industry, and its present state and condition leaves me trembling when I consider the degrading impact that commercial television is having on our society. We are being bombarded with trash. Public television is the only real hope for change that I can see, and it deserves a better shake than it has gotten.

Thank you.

[The statement follows:]

STATEMENT OF AL VECCHIONE

My credentials as a witness before this committee are, I suspect, a bit different from those of the other witnesses you will be hearing from. I am not actually a part of the Public Broadcasting Management infrastructure. I run an independent production company whose sole business is the making of programs. In fact, my entire experience in television - spanning some 35 years - has been on the production line, making programs for national distribution.

I've been in public television for the past 16 of those years making public affairs programs of one kind or another, and before that I was in the same line of work at NBC. So I've lived and worked in both worlds and my opinions have obviously been shaped by this twin experience.

For the past twelve years I've been principally engaged -- first as Executive Producer and now as head of the production company -- in the production of the nightly half-hour *MacNeil/Lehrer Report*, which later became the *MacNeil/Lehrer NewsHour*. Our company has produced some other programs as well during this time, programs such as *The Story of English* and *The Heart of the Dragon*. But again, our main effort and involvement has been the nightly program. All together we have broadcast almost 3,500 programs in this series.

That's a lot. And along the way, we have learned a fair amount about the way public television works, and about the way that it sometimes doesn't work. Whatever we have learned - or think we have learned - it has been from the vantage point of the production line. That is surely a very different perspective from others have who are involved in running a national organization such as CPB or PBS. And it's also a very different perspective from that of a station manager whose job it is to provide a full programming service to his or her local community.

I want my place in the pecking order to be clear, so that my comments will be taken in proper context. The point is, I know some things, and I don't know others. I am not an expert, for example, on the broader issue of what is the proper overall funding level for public broadcasting. But when that overall funding level is translated into the realities of the production line - it's then that someone like myself very quickly comes to grips with the larger economic picture.

Maybe my direct experience in the making of only this one program will provide a useful insight - a microcosm - of some of those larger issues that you have to consider.

The NewsHour is, to the best of my knowledge, the biggest program in public television by almost any definition. It has the biggest slice of airtime - 260 original hours per year - and it has the biggest budget. The size of its budget is obviously related to the large number of airtime hours. Mostly though, the budget is so big because it is very expensive to keep abreast of events and developments all over the world, and, in turn, to be able to report on them intelligently, and with the electronic and production techniques that audiences demand. Our annual budget is $20.6 million.

Of course that sounds like a big number. And it is when compared to certain other things in the universe. When compared to <u>other</u> national TV news programs, however, it is, quite frankly, very small. Consider the following:

Our nightly program is 57 minutes in length. A commercial national news program is actually 22 minutes long. Of each network's approximately $300 million annual news division budget, it is a fair guess - and probably a conservative one - that $100 million of that goes to their nightly news program.

If you do the arithmetic, our program ends up costing $1,350 per broadcast minute; theirs run about $17,500 per minute.

Of course, it is true that the commercial news programs have heavier newsgathering cost burdens than we do. And there are surely other costs which don't quite match up with ours on an apples to apples basis. Still, their spending ratio is as much as 8 or 9 times greater than ours.

So, in our particular programming area - news and public affairs - we operate at a substantial disadvantage in terms of our ability to do the job well, deliver a good product and attract the widest possible audience. In other programming areas, I know the negative dollar ratios are just as dramatic.

If a producer is good enough and lucky enough to resolve these problems and keep a program series going from one year to the next, a second major financial obstacle quickly rears its head: it's called inflation. Again, the NewsHour is a classic example.

During the past four years, our annual budget has remained basically flat. In FY 85 the number was $20 million. In FY 88 the number is $20.6 million. That's a four year increase of $600,000, something approximating 3% over a four year period - less than 1% per year. Our costs, in the meantime, have increased over that same period - because of inflation and other price increases in the marketplace - by some 15% - 20%. Yes, we have survived and so have others. But it's painful and frustrating at best, and at worst, our ability to continue is sometimes in doubt.

Inevitably, this money shortage issue always seems to come back full circle, and pretty soon the chorus of critics is pointing fingers at the public broadcasting bureaucracy: too many organizations - PBS, CPB, PMN, SECA, etc. - too much overlap, too much waste and inefficiency. It's the "alphabet soup" argument. Instead of addressing directly the matter of too little money, this vague, gray chorus of naysayers diverts our attention with the argument that says there are too many organizations in Public Television. Eliminate some of them, they claim, and there'll be plenty of money to do all that is needed.

But is the argument valid? Is there really that much duplication of functions in Public Television, and in turn, that much wasted money? Or is the argument just a smokescreen?

Surely there is some waste and some overlap. Public Television is a big enterprise with many strings attached to it, and some waste is inevitable. And just as surely not all of the priorities are always straight or right. But I must say, after working with the bureaucracy in both the public and commercial worlds for many years, I've come to this conclusion: all television bureaucracies are cumbersome. It is the nature of what they must do that makes them so. In my own experience, however, I would say the Public Television bureaucracy is streamlined when compared to that of a commercial television network. That may surprise you. I, nonetheless, maintain it is true.

The various PTV organizations that make up the "alphabet soup" bureaucracy all have legitimate functions. It's a complicated business running a national broadcasting organization. Someone has to allocate the resources; someone has to count the money; someone else has to check on the person doing the counting; someone has to look at programs and decide which ones to air; someone has to schedule the programs; someone has to be concerned with legalities etc., etc., etc. Bureaucracies are therefore put in place which accommodate these functions and which further provide a system of checks and balances. Finding a viable balance between accountability and too much bureaucracy is a problem television managements - both commercial and public - wrestle with all the time.

The fact is that all of the same functions, duties and responsibilities that exist for commercial broadcasting also exist for public broadcasting. Commercial Networks have a Corporate Division which does the allocating of money and establishes the priorities through policies; we have CPB. They have a Network Division which obtains, schedules and distributes national programming; we have PBS. They have producing agencies on the West Coast that make sitcoms and movies, and agencies on the East Coast that make news and sports programs; we have the major PTV producing stations, and independent companies like mine. They have a Radio Network; we have NPR. They have stations; we have stations.

The only real difference actually is that in Public Television we have a lot of separate labels to identify the functions; whereas our commercial colleagues put everything neatly under a single umbrella logo. But make no mistake about it: the same functions are there under that umbrella, and mostly there are a lot more people performing them.

This is not a matter of carrying water for anyone. The "blame the bureaucracy" argument is diversionary as well as fallacious in my opinion. It's a smokescreen applied by those who oppose the good health and development of Public Television - to cover over the very real financial problems that do exist. The system is starved for money, and that is a simple truth.

Finally, I was asked to comment on another of the major controversies in Public Television these days: the question of who selects programs, how it is done, and why. Actually, it's an old question and an old argument.

Here too, over the years it seems to me, there's been a lot of smokescreening, usually by the folks in this case whose programs do not make it to air. It is a very tough, competitive arena that TV producers operate in, and producing a program for public television is no exception. It's hard to develop good programs, it's hard to find the money to make them with, and then it's hard to get the airtime. A lot of good ideas don't make it. That's the way it's always been in television, and again, public television is no exception.

But the basic system that exists in Public TV for making these decisions - who gets the money, who gets the air time - are very sound in my judgement. I haven't always gotten the money or the airtime that I have sought for different projects, but the reality is that I've always gotten a pretty fair shake. The system for selecting programs and allocating money is a democratic one, and like all democracies it's a little cumbersome. At the bottom line what you've got is a selection process that is based on the majority voting rule. The station licensees - those organizations responsible and accountable for what is broadcast over their transmitters - vote, and their votes are weighted according to their respective market size.

While some of the decisions may be questionable, according to someone's individual taste, the fact is that the basic program schedule which has resulted over the years has been a distinguished one. It has also been mostly balanced and mostly alternative - another Public Television mandate.

So, in conclusion, I would like to say that I believe on balance, Public Television has done its job pretty well and spent the allocated monies pretty carefully over the years. There's been a good return on the investment of the American taxpayer, and others who have supported it. When compared to almost anything else on the television spectrum in this country, it continues to be a voice of sanity and civility in the vast wasteland. Maybe the only such voice.

It does have money problems. It does. It seems less plausible all the time that the additional needed support will come from the private sector unless we change the rules and start selling commercials. The only alternative is to improve the Federal Support levels.

Public Television is a national resource. It is one of our valued national institutions. It is contributing in a real way to the quality of life in this country. The importance of keeping it strong transcends any self-interest on my part. I have put a lifetime into this industry, and its present state and condition leaves me trembling when I consider the degrading impact that it's having on our society. We're being bombarded with trash. Public Television is the only real hope for change that I can see. It deserves a better shake than it has gotten.

Thank you for giving me the opportunity to express some of my opinions before this committee.

Senator INOUYE. Thank you very much, Mr. Vecchione.
Mr. TORRES.

STATEMENT OF ARNOLDO TORRES, DIRECTOR, LATINOS IN PUBLIC TELECOMMUNICATIONS

Mr. TORRES. Thank you, Mr. Chairman.

Before I begin, I would like to make some comments to the committee and to the committee staff. I would like to indicate our appreciation for allowing us to testify in the last week and a half that this hearing was being developed. I would like to thank Ms. Cook for her patience in not being too upset that we submitted written testimony earlier today, but we submitted five yesterday, and we very much appreciate the questions that committee staff gave you to ask of Mr. Bennet and of CPB earlier with regards to Hispanic programming.

My name is Arnold Torres, and I am representing the Latinos in Public Telecommunications, Inc. It is an organization formed in 1982 to deal with the concerns that Hispanics have in public broadcasting as well as to produce, disseminate, develop and promote Spanish-English language programming.

I would like to begin by reading a very interesting internal report that was submitted to NPR with regards to their specialized audience programming. It reads:

> The perception of minority producers, producing organizations and advocacy organizations is that public broadcasting in general and public radio in particular have only paid "lip service" to minorities and minority concerns. Many refer to the Task Force Report on Minorities in Public Broadcasting Commission by CPB in 1979 saying that while the numbers have changed some since, the overall deficiencies have not. The perception is that minority programming or services have been minimally funded, resulting in minimal results.
>
> Consistent with the general perception that minorities are the last hired and first fired in society at large, advocates say programming by and about minorities is the most likely victim of budget cutting. Critics of the programming say it should not be funded because it is not used. That is a comment that Mr. Bennet made earlier today. "Advocates of the programming say it is not used because it is not funded or developed adequately." That has been our argument from the very beginning, those who actually use the programming.
>
> Stations that are users of specialized audience programming rate it as valuable and high in quality. Users comprise anywhere from 2 to 40 percent of NPR member stations. Some, about half of the stations in the NPR system describe themselves as having classical music formats not targeted or marketed to minorities. They perceive specialized audience programming as having too specific a focus to appeal to a general audience.
>
> Some who hold this view admit having never listened to any of the programming produced by specialized audience programming. The attitudinal problems are further exacerbated by a general overabundance of programming now available to stations from a variety of sources.

So this is a report that National Public Radio itself went out and did last February, and I think it underscores even more succinctly than we could, because when we attempt to give a position, we tend to have a word by the reference of bias being associated with it, and I think that it is important to note that with regards to Hispanic programming, it is not a question of the words that many today have presented to you. You heard Mr. Ledwig and Mr. Bennet and Mr. Brugger talk about decline in educational and cultural life, CPB helps to strengthen the quality of life in America.

We have heard a number of high praise of the mission of public broadcasting in this country.

But if we look at the overall record of public broadcasting in this country, I would say to you that I am not about to recommend that you increase any programming in their budget at the present time, and these are the reasons why.

It is not a question of money to hire minorities in positions of management. It is not a question of money to go out and find people who are qualified to work in the decisionmaking positions within CPB and National Public Radio. And I think that both the representatives of CPB and NPR indicated to you that the reason why they do so well, in their opinion, in having the diversity of programming is because they have people in management who are sensitive. I would submit to this committee that that is unfortunately their perspective.

It is not the perception that minorities have, whether they be producers or whether they be in the community and they provide services to our community

CPB, regardless of the work that it has done which has been very complimentary to Hispanics in certain aspects, as well as NPR, reluctantly, in our opinion, they nonetheless need to do a tremendous amount more, which in our opinion does not require money. It requires simply a strong commitment to actually diversifying their programming, and the way to do that is by having a staff of people that are in fact diverse in their perspectives, that do bring with them institutionally, actually can bring the diversity perspectives to the institution of CPB and NPR.

But they have not done that, Mr. Inouye. They have never done that. And that is probably at the crux of one of the major difficulties.

The other one is that neither entities really have any type of real commitment to developing any real planning process to deal with the diversity of this country's growing population. Hispanics are viewed as monolithic in the sense that we only speak Spanish. That is not true. On one hand, we are concerned about the need to provide Spanish language programming, not only on television, but as well as on radio, but at the same time we must do things in English.

Now, it is not our fault that the people who come into this country who are of Latin American background speak only Spanish. There will always be that situation in this country because of the proximity. We are in the Western Hemisphere, the majority of the people in this hemisphere speak Spanish. So there will always be an element within our community that will need that type of programming.

Unfortunately, NPR has decided in doing away with Spanish language programming, that they are going to give it to commercial radio stations. They are going to give it to commercial radio stations.

Now, that in our opinion flies in the face of alternative programming that NPR is supposed to be providing. That also flies in the face of simple common sense.

There are a number of Hispanics who only speak Spanish that only have public radio stations in their areas. They do not have commercial radio stations. That is one.

Two, by going to commercial radio stations, NPR becomes even more of an elite network than it is already, and I think that it is also important to understand that at no time has Mr. Bennet or anyone in NPR criticized the quality of the programming of Spanish language that we have had now, but at the same time, this organization of NPR has never once submitted any information to this committee or to us in the three years that we have tried to work with them as to what they did in the last three years to try to increase the audience levels, what changes they did propose to try to change the format, as you have heard some of their ideas today.

These things could have been done, and these things were proposed in a business plan that we submitted to CPB when David Brugger was the Vice President for Telecommunications at that time. Unfortunately, that plan has gone nowhere, and unfortunately, NPR did not respond to that plan.

But let me read to you their resolution which Mr. Bennet asked be submitted for the record. The resolution reads "NPR is committed to serving Hispanic audiences in both English and Spanish. The Board requests the service plan be presented at its October Board meeting. The Board further instructs management to secure special project funds to support the initiatives in that service plan in fiscal year 1988." They have not done that. They have not gone out and raised additional money beyond April 1 of this year to continue Spanish language programming, and I would submit to you that that effort was not approached with any enthusiasm or much aggressiveness.

"Monies in the fiscal 1988 budget should be used to maintain existing services at least through April 1, 1988 and to ensure an orderly transition."

Again, Mr. Chairman, it reflects the—in substance, there is not much of a commitment by NPR and CPB in our opinion to comprehensively dealing with the needs that the Hispanic community have in this country. Again, the population is growing significantly, 61 percent growth from 1970 to 1980. Some demographers are indicating that that growth will maintain itself, will keep constant from 1980 to 1990. We must not only educate this population to the ways of American life, but we must also educate those who are non-Latino to the ways of people that are coming into their country and will be becoming citizens as well as residents of this country.

And I do not think that CPB or NPR are ready to truly meet that challenge. It is a challenge to try to integrate. It is a challenge to try to mainstream people. And the commitment that these two entities thus far have demonstrated to this growing population and growing dynamic of American society unfortunately falls in the category of pure rhetoric, and it is unfortunate that we would have to come to this committee today and indicate that because we do recognize that there is a strong romance between Congress and the Corporation for Public Broadcasting, and in most romances of this nature, there is a desire not to see the faults in each party, or in this case, in Public Broadcasting.

So we ask that the romance continue, but that we be more constructively critical of the party, in this case, Public Broadcasting, and specifically, National Public Radio.

We would recommend a number of things. The first one that we would like to recommend is that language be attached to this reauthorization directing NPR and CPB to maintain Spanish language programming, not on commercial radio, Mr. Chairman.

National Public Radio has never once made an effort to truly push the carriage of Spanish language programming on their radio stations. They never have made that effort. They have never highlighted this in their national conventions or national conferences. They have never gone out and done work with the stations that have a high concentration of Hispanic and Spanish speaking people in their listening audience. They have not done basic things that we have proposed to do because the obsession has been to do away with Spanish language programming.

So we would ask that that language be attached to the reauthorization.

The second is that CPB and NPR be directed to develop a plan for assessing the television and radio interests of Hispanics and how they respond specifically to such interests and needs.

This plan should include a detailed affirmative action plan for the hiring of Hispanics.

The third, which is something that we would hope could be negotiated between now and the 1991-93 era, because we have about two years that elapse in between, we think that a Hispanic Advisory Committee must be established to work with NPR and CPB. It should not be people handpicked by Mr. Bennet and other people at CPB, because they have a tendency to select people who will support their initiatives.

It is very important to understand that Mr. Bennet's initiatives on what he is doing with the Spanish language program or Hispanic program now is not being supported by the Hispanic community. Yet, NPR will proceed with its plans.

Then once again, Mr. Chairman, is an example of the lack of sensitivity and the lack of commitment that public broadcasting appears to be having with Hispanic programming or Hispanic language in general.

Thank you very much, Mr. Chairman.

[The statement follows:]

STATEMENT OF ARNOLDO S. TORRES, EXECUTIVE DIRECTOR, LATINOS IN PUBLIC TELECOMMUNICATIONS, INC.

Good morning, members of the Senate Subcommittee on Communications, my name is Arnoldo S. Torres and I am here representing Latinos in Public Telecommunications (LPT), Inc. I appreciate the opportunity to present our views and concerns with the re-authorization of the Corporation for Public Broadcasting (CPB). Specifically, we are here today to discuss our opposition to National Public Radio (NPR) decision to terminate Spanish-language news programming--Enfoque Nacional.

Latinos in Public Telecommunications, Inc. (LPT) was formed in 1982 as a non-profit resource center to develop, produce, disseminate and promote Spanish-English language programming for, by and about Latinos within the public telecommunications industry, and other public and private entities, and to unite all Latinos toward common goals in the field of public telecommunications and associated industries.

HISTORY

In early 1979 several Hispanics in public radio organized an effort to pressure National Public Radio (NPR) to provide programming to the Hispanic community. It was felt that NPR had a responsibility to serving this specialized audience and that up until then it had neglected. After several sessions with NPR hierarchy, NPR decided to air Spanish language programming through various formats of music, national news and current events. This programming since it's inception has not been carried by the desired number of public radio stations because the public radio community has not regarded the Hispanic audience as a legitimate audience for it's programming. The programming produced by NPR through a sub-contract with ENFOQUE NACIONAL of KPBS radio station at San Diego State University has always been viewed as an "appeasement" of "minority communities" which can't be served through regular programming. This attitude is quite paternalistic and condecending yet typical of the public radio community which has always considered itself progressive.

During the years of existence this programming has never been promoted, marketed nor has any audience research been conducted to assess what the Hispanic audience desires. Rather, this programming has remained stagnant. It has never been featured at any of the annual public radio conferences' held by NPR nor has NPR ever encouraged carriage by radio stations. Rather, NPR has simply allowed this "experiment" to languish while pointing to it's committment to serving the Hispanic community.

CPB must share in this problem for it too has been well aware of the difficulties and has not responded. While it conducts several activities designed to serve minority audiences, it has been derelict in it's dealing with the Hispanic community. Rather than take a comprehensive approach to correcting these problems it has yet to develop a plan of action of any scale. It has no Hispanics employed in any major areas which deal with this matter or any other. It has not had any since 1979 and it is regarded by most Hispanics in public radio as an entity not seriously committed to it's responsibility to have public broadcasting, radio and television, address the needs of the Hispanic community. Despite it's own recognition of the problems NPR has failed to address, CPB has also been negligent and has not even bothered to explain itself to anyone.

Despite our exhaustive and reasonable appeals to NPR President Doug Bennett and the NPR Board, despite our efforts with CPB's Vice-President for Telecommunications, Mr. David Brugger, NPR has decided to discontinue Spanish-language programming as of the end of March 1988. We believe that such action can only make matters worse in American society and the Hispanic community, and reflects a major deviation from NPR's mission and that of the Corporation for Public

Broadcasting. This action appears to be one which would be taken by commercial radio or network television if a program did not make the top 10 of the Nielsen ratings. The difference would be that they probably would have made major investments in promoting the program before relegating it to summer replacements and then to extinction.

NPR has taken this action because the audience for Spanish language programming has not grown for some time. NPR hierarchy has proposed to de-fund this programming for the last three years yet during this time took no substantive action to assess what needed to be done to increase audience levels. Rather NPR and CPB continued to discuss the possibility of terminating Spanish-language programming because of low audience levels. No plan of action was developed, discussed, pursued, proposed or implemented. This in our opinion shows the extent of the committment by NPR and CPB.

LPT recognizing this lack of institutional committment to the Hispanic community proposed to CPB to allow us to develop a comprehensive business plan for improving, strengthening, and expanding programming in English and Spanish to the Hispanic community. We have attached the plan as submitted to CPB under a $20,000 grant it awarded to LPT.

The Latino community in the United States has historically had minimal access to and participation in the mass communication media. Despite the large number of Latinos in this country, broadcasting that addresses and incorporates the needs and interests of this ethnic minority is extremely limited in scope, quality, distribution and variety. As a consequence, Latinos have remained alienated from public broadcasting. This, in effect, has impaired their ability to function effectively as fully informed members of modern society in the United States. Conversely, it has kept the majority of the American public unaware of the Latino population's social, cultural and economic attributes.

The U. S. Census Bureau reported in the 1980 census that the Latino population had increased a phenomenal 61% to 14.6 million. In January 1986 the Bureau issued an update which indicated that Latinos in the U.S. had increased 16% to 16.9 million from 1980 to 1985. This continued growth of the Latino community underscores the importance of providing programming about the fastest growing population group in the U.S. to Latino and non-Latino audiences. This is especially important for monolingual Spanish speaking persons who have legalized their status in the U.S. under the new immigration law of 1986. Over 88% of the 1.6 million applicants are Spanish speaking.

Latinos in this country must receive quality programming about developments in this country in order to assist with our integration into mainstream society. Equally as important is the need to educate non-Latinos and non-Spanish speaking audiences about Latinos in the U.S. and abroad in order to decrease the communication gap and improve awareness. The high standards of quality and fairness which characterize public radio are indispensable, especially when we hear the all too familiar, superficial and xenophobic reporting done of the Latino community by much of commercial radio.

In view of the shortcomings of NPR and CPB, and the unnecessary and counter productive action by NPR to repeal Spanish-language programming LPT would recommend the following:

1) Attach language to the reauthorization of CPB and NPR directing them to provide Spanish language programming.

2) Attach language directing CPB and NPR to develop a comprehensive plan for assessing the television and radio interests of Hispanics and for how it would respond specifically to such interests/needs. This plan should include a detailed affirmative action plan for hiring Hispanics.

Senator INOUYE. Thank you very much.

I would like to go over the panel individually and then come up with general questions.

Ms. Chadwick, you spoke of the necessity of reevaluating the qualification criteria used by CPB to award grants.

How would you change the criteria?

Ms. CHADWICK. Right now, there are mostly very concrete criteria. For example, you have to have five full-time paid staff people and a certain income level.

I would question whether that is necessary for a station to be successful. The criteria were established because CPB was concerned that the stations be professional and able to deliver a quality product.

However, there are member stations in FCB that have been on the air for 10 years that are in very rural areas, and they are making it with four staff people. I think that they deserve to be considered for support.

Senator INOUYE. I agree with you, because I get the impression that minority stations in rural areas are not being adequately funded. Since becoming a member of the Select Committee on Indian Affairs, I have noted that Native Americans are receiving almost no help.

What other changes would you suggest? We could always amend the bill.

Ms. CHADWICK. I think that one of the other areas of concern is right now one of the criteria is the CPB's priority of putting one station in many markets and that if you are second service that comes in later, you are questioned more about whether you meet the criteria; whether, for example, many of the second service stations in urban areas are minority controlled.

If a service decides that the second station wants to broadcast All Things Considered and it is already being carried by an NPR affiliate in that area, there is some question as to whether or not they meet the criteria of nonduplication.

Nonduplication means they do not want to have two radio stations broadcasting the same thing in the same area. I understand that is not an efficient use of Federal dollars, but I think that if a station is surviving they are attracting an audience that is supporting it. They are not going to be broadcasting the same program schedule.

They should also be considered for funding, and we should probably encourage that, I believe, because the second services are often going after minority audiences that are not being served by the stations already in place.

So I would like to encourage multiple station markets as opposed to just saying if we have one public radio station in town, that means we have done our job in terms of serving that community.

If a group has gotten together and is putting a station on the air and is broadcasting and focusing on a different audience, we should not eliminate them from the funding pool, either.

Senator INOUYE. Thank you very much, Ms. Chadwick.

Obviously our biggest hurdle will be to convince our colleagues in the Senate and the House to support the funding level, keeping in mind the budget deficit and other matters. This is an election

year, for example; therefore, my questions would be geared toward statistics to shore up our case.

Mr. Britt, how much did it cost to produce Sesame Street in 1969, and how much would the same program cost today with the same number of episodes?

Mr. BRITT. Mr. Chairman, Sesame Street cost $7 million to produce in 1969. That included $1 million in promotional efforts to gain particularly minority audiences.

Today to produce the series, we are paying about $13 million, which is not a very large increase from that time. However, the amount of repeat material today is much greater than it was in 1969, so that if we were to try to do de novo in 1988 what we did in 1969, I would guess we would be talking in the area of $35 to $40 million to be able to do the same amount of new programming today.

Senator INOUYE. Do you mean the five-day-a-week program?

Mr. BRITT. I mean five days a week programming. Ours is now five days a week, but each show is about 70 percent repeat. In 1969 it was about 40 to 50 percent repeat. We have had to cut back on that.

Senator INOUYE. To what do you attribute this increase in cost other than inflation?

Mr. BRITT. I think there are really two or three parts to that. The first and perhaps most important part is just plain inflation, particularly in the television business.

Secondly, in terms of our arrangements with guilds, actors guilds, writers guilds, musician guilds, in 1969 those guilds were willing to give public broadcasting rates that were a lot less than those of commercial stations.

As time has gone on and public television has become better able to financially sustain itself, those discounts have gone away.

Third, the cost of technology which has been introduced into the business of television production on the one hand has saved some labor costs, but it is very, very expensive to utilize current animation techniques, current film techniques and so forth.

Senator INOUYE. Thank you very much.

Mr. Vecchione, I agree with you that dollar for dollar, MacNeil-Lehrer is a bargain as compared to other news hours.

Now, on the money question, you have indicated that your show costs about $20 million a year to produce, and I believe you began in 1975.

How much did it cost then, and how much was your first one-hour show? I think five years ago you had your first one-hour show.

Mr. VECCHIONE. That is correct, Senator. The first year that the program was on the air was the 1976–77 year, and it was a half-hour program. That is the first year it was a national program. Before that it was a local program for one year in New York City called The Robert MacNeil Report.

So if we use the 1976–77 year as the baseline, Senator, that year the budget was $3 million. Now that, of course, was a half-hour program, quite different in its makeup and in its production character than the present program is. We did one story a night.

Nowadays, of course, we do at least three and sometimes four major stories a night plus an overall world news summary.

Still, in 1976–77 it was $3 million. By the time we finished with the half-hour program, which was the 1982-83 year, that number had gone to $7.5 million.

The first year as a full hour program, the first real base year, it was $20 million, as I said a few minutes ago, and now it is $20.6 million four years later. So that has been the progression.

Senator INOUYE. Do you currently use independent producers?

Mr. VECCHIONE. I am sorry?

Senator INOUYE. Do you use independent producers?

Mr. VECCHIONE. Well, we are an independent producer, for one thing; but do we use other individual independent producers, I guess is the question?

Senator INOUYE. Yes.

Mr. VECCHIONE. The answer is not very many anymore; one or two, I think.

In the first year of the one-hour program we used quite a few. We made a concentrated effort, in fact, to use independent producers to do various stories for us as often and as frequently as we could.

The reason that that began to erode had to do with matters of editorial consistency and editorial competence. We editorially bear the responsibility, after all, for the whole program, its whole journalistic posture and everything in it.

Many of the independent producers are very, very talented, but they see things in a way that journalistically does not mesh with the way we see them, and that got to be the overriding difficulty with continuing to use independent producers at the same rate we were the first year.

So we are using a lot less now than we used to.

Unfortunately, I must say there was another reason philosophically why we tried to use them. We did see that as an opportunity maybe to include a more diverse base of journalism, but you run into conflicts. You run into journalistic conflicts.

The difference in journalistic standards is just like at any newspaper. A newspaper has, you know, one editor-in-chief, and that journalistic standard sort of gets fed down through the ranks. So it is with us. It became quite unruly in the case of independent producers to get them to produce things according to our standards.

Senator INOUYE. Mr. Torres, I received many letters relating to Enfoque National.

Did the producers of this show seek outside contributions?

Mr. TORRES. The business plan that was submitted to CPB was that we would be on a matching funding basis. CPB would commit so much, and once we had that amount of monies we would be able to go out and use that as leverage with foundations.

Because the business plan was never funded, that unfortunately was never accomplished.

With regard specifically to the funding situation, presently it has been and was committed by National Public Radio that they would seek outside funding and would secure outside funding for Enfoque National to continue after April 1, 1988. Only a month ago did they

inform the producers of Enfoque National that they were not able to secure any funding.

As I indicated in my testimony, it is our understanding that that effort, that task, was not approached with much enthusiasm or much aggressiveness on the part of National Public Radio.

It is also important to understand that Enfoque began with a $135,000 budget in 1980. It had a $180,000 budget in 1987-88. So there has never been much money there. On its own merit because of the quality, it is in the major markets in the country, Los Angeles, Chicago, San Antonio, New York, Miami. It is in the major markets of the Hispanic community, whether it be in English or Spanish.

So Enfoque has been able to do quite well, and there are a lot of stations that do carry it. In the testimony that I submitted to you, there is a letter from one of the stations in Arizona which basically speaks highly of it. People listen to it.

So those stations that are carrying it now, Mr. Chairman, have managed to put it on the air waves. Why is it that other stations cannot do the same? We believe that it could happen, and that is what we were proposing to do in our business plan that we submitted to CPB.

But NPR is also well aware of the approaches that we take, that we were proposing. Unfortunately, in our opinion, Mr. Chairman, there simply was a strong commitment by the National Public Radio hierarchy that they would do away with this programming. That is really the difficulty.

It is a problem. It is not because we have been unreasonable, Mr. Chairman. We have been extremely reasonable, and we have done a lot of work to try to work things out. We have not been insistent that you must do Spanish language programming just because we are Mexicans.

We have argued that the market should dictate what people want to hear, but NPR has never really made a serious commitment to do so. The only reason they have done the things that they have done now is because they knew inevitably they would have to deal with this in Congress. That is a hell of a reason to deal with any issue.

If they are really as committed as they have said to cultural and educational diversity and the quality of life, when you really look at the substance of the matter there is not much to measure what they are talking about.

I would like to submit a number of letters for the record,[1] and I would also like to express our appreciation to Senator Wilson, who certainly does recognize the diversity issue in California, for being concerned about the issue.

Senator INOUYE. About three years ago, the Department of Education issued a report which I found to be absolutely devastating. If my recollection is correct, it stated among other things that 52 percent of adult Hispanics were functionally illiterate; 47 percent of adult blacks were functionally illiterate; 17 percent of adult whites

[1] The letter were not reproducible and are in the Committee files.

were functionally illiterate; 13 percent of high school graduates were functionally illiterate.

Public broadcasting has been heralded as a special type of programming, not only to entertain but to educate. Are we doing anything to change these numbers, or do you believe that we have done anything to change these horrendous numbers?

Ms. Chadwick.

Ms. CHADWICK. I have no numbers to respond to you, but I can tell you what the experience has been at some of the stations. I know that they have been broadcasting a lot of information programming. I know that is a very large function of what is going on out on the reservations. It is often the only source of information.

While radio may not improve literacy, it does reach people who are illiterate, as television would. I think that it has opened the horizons of many people in small rural communities. Those are the people I hear from that say I do not know where I would be without public radio.

They hear about things that they would not have access to in the local paper, if there is a local paper. In Alaska there are no local papers. Mostly, the only information people get up there is from their radio station via the satellite.

So I guess what I am saying is I do not have the numbers to respond, but I know that people are getting information through public broadcasting that they would get no other way.

Senator INOUYE. I would like to also add another number. The latest statistic on dropouts from New York is 60 percent of black youths never finish high school.

Mr. Vecchione, do you believe that we are doing our best in public broadcasting to change these numbers?

Mr. VECCHIONE. Well, let me speak only to my program for a moment. I think our program does nothing to help the problems of the functionally illiterate in this country quite clearly. I think it does, however, do something to help in the matter of cultural illiteracy, which is a slightly different phenomenon.

I think that our program, in taking more time and more care and dealing with important issues of the day in a comprehensive way, is contributing to the cultural literacy of this country.

As to the functional illiteracy problem, it seems to me that David and Sesame Street are more qualified to handle that. I know my oldest grandchild watches it every day.

Mr. BRITT. Well, Mr. Chairman, I think the answer has to be we are not doing enough. Our focus, of course, is children rather than adults.

As Joan Cooney, my boss, has said, you cannot expect to give a starving child three or four meals when they are preschool age and expect them to be healthy if you starve them for the next eight years of their life when they grow up.

The fact of the matter is that there is not enough money to meet many of the needs that we have heard so well told here today. Certainly, education and illiteracy is one of them.

We did a program for six years called The Electric Company. That program was on reading; very specifically, decoding skills. That program was used in 100,000 classrooms across the country, and it was watched by 5 million children at home.

In 1975, in its wisdom the Department of Education said we do not believe that that show should be funded anymore, and so it was not. It stayed alive in reruns for some years.

We are now working on a new program. That new program will probably cost something like $20 million. I do not know if we can get it funded. I can be absolutely sure that we will not be able to do the kind of outreach with community groups with getting paper and pencil and reading material into homes where there are literally none.

So the question is are we doing enough. The answer is no, we are not. We are doing, I think, what we can but it is far from adequate.

Mr. TORRES. Mr. Chairman, I think an even more fundamental issue and question to be asked is does public broadcasting even really acknowledge the statistics that you have just gone over.

Have those statistics, in fact, been understood by public broadcasting? What those statistics indicate, Senator Inouye, very simply is the fact that the future listeners of any radio or any television in the future are going to be people of color.

The majority of children in the six largest school districts in the United States of America are black and Hispanic. The highest dropout rates in the nation are Hispanic.

You have indicated statistically what our functional illiteracy rate is. Now those, to me, are much more fundamental, Mr. Chairman. I think clearly in my experiences of dealing with the public broadcasting world, they are not even aware of this.

I think that it is also reflected even in MacNeil-Lehrer. I watch MacNeil-Lehrer every night, and I listen to National Public Radio, but I do not watch the two programs because I need to know what is going on in the world. I read about seven newspapers a day.

The reason I listen to them is because these bastions of progressiveness in American society, I always like to know just how inclusive their progressiveness really is.

I would have to say in all fairness as a subjective opinion as only I can give, they are having difficulties being inclusively progressive. That is a more fundamental issue.

Outside of providing programming to Hispanics and Spanish, do the institutions themselves recognize that American society is not what you see in public broadcasting hierarchy of the world or in the United States; that it is, in fact, extremely diverse.

Now, that is much more fundamental, Mr. Chairman. Clearly, I do not think public broadcasting even understands that yet. So before they begin to do a better job, they must understand fundamentals, and they have a great deal of work to do in that area.

Senator INOUYE. Well, I would hope that the people of the United States will understand those numbers because according to the Census Bureau, in less than 50 years the demographics of the United States will change.

Two hundred years ago it was almost pure white. Fifty years from now Europeans will constitute less than 50 percent of the United States. If the blacks and Hispanics continue to be functionally illiterate and if a majority of the people of the United States cannot enjoy the fruits of democracy, then we have a lot of problems.

I thank you all very much.

Our next panel, the last panel, consists of Mr. Frederick Wiseman, an independent producer; Mr. Marlon Riggs, independent producer; and Mr. Larry Sapadin, Co-Chairman, National Coalition of Independent Broadcast Producers.

STATEMENT OF FREDERICK WISEMAN, INDEPENDENT PRODUCER

Mr. WISEMAN. Thank you, Mr. Chairman. I appreciate the chance to be here today.

I am an independent filmmaker with no formal affiliation with any public television station. I very much regret having to make this public statement sharply criticizing the public television system. Whatever comments I make and however bluntly stated, they are only a reflection of my deep concern and commitment to the long-term purposes and goals of public television.

I would, however, like to suggest that a realistic assessment of public television would reveal the following.

One, that the current board of CPB has few people on it with any experience in broadcasting. The board is, therefore, not capable of providing any real direction or supervision to the administration or the staff.

Two, that the administration of CPB is made up of people with no achievement and little experience in broadcasting.

Three, that there is no representation in the board administration or program staff at CPB or PBS of the area of expertise which is known as filmmaking.

Four, that the program staffs of CPB and PBS derive their authority solely from the chairs they sit in and not from achievement in the program area in which they exercise power.

Indeed, some of them were given their positions with no prior experience but were handed a job as an opportunity for on-the-job training. Others on the staff may have had some experience but little discernible achievement in public affairs, cultural and children's programming, the areas in which they now have authority and responsibility.

Five, that the present structure of public broadcasting makes it very difficult to attract competent, experienced, well-trained people to take staff jobs in CPB or PBS.

Six, that there is a great deal of duplication between CPB and PBS and that large amounts of money are wasted because of overlapping bureaucracies.

Seven, that there is little effective coordination of programming decisions between the staffs of CPB and PBS.

Eight, that the real purpose of public television seems not to be programming but the maintenance and preservation of the public television bureaucracy.

Nine, that the panel process through which the Program Fund of CPB allocates money can only produce mediocre programs.

I would now like to discuss the panel procedure of the Program Fund in some detail; as an example, the way major decisions about national programming are actually made in public television and how this process necessarily results in mediocre decisions.

The panel process brings together for two days in Washington for a one-time meeting a group of people: Who have never worked together before;

Whose knowledge of filmmaking and broadcasting varies from none to considerable;

Who have little or no awareness of other programming decisions and policies in the Program Fund and elsewhere in public television;

Who have no prior or continuing responsibility for the decisions they make;

Who have no opportunity to ask questions of applicants to clarify the panel's understanding of their proposals;

Who are often unfamiliar with an applicant's previous work;

Who do not have the time to look at more than a few minutes of the sample work submitted with the proposal;

Who do not spend more than a few minutes evaluating each proposal.

For example, typically a panel meets for 12 working hours over two days and considers 60 proposals. Assuming the panel works every minute, it means that the panel spends 12 minutes on each proposal, including screening time.

If we assume that five minutes is spent watching a sample of the filmmaker's work, that leaves at most seven minutes for discussion and voting by the panel members.

The panel process is defended by its advocates as being democratic. A truly democratic procedure would incorporate principles of professionalism, responsibility, accountability, informed decision-making and the applicant's right to be heard.

The net result of the panel process is that no one is responsible. No one is accountable. Weak programming decisions are made, and there is no appeal.

The result is that quality, which should be the only criterion, is the least relevant consideration in programming. Personal politics, the buddy system, jealously and pop ideology dominate the panel's deliberations.

Filmmakers dealing with public television have a right to be judged by and responsible to people who understand their work and have the professional competence to assess it in the context of other programs and programming needs.

The quality of the work should be the sole standard. Ideology, ethnic background, social goodwill and trendy labels should be irrelevant. This is not the case in public television.

My conclusions are widely shared in the public television community. They reflect not just dissatisfaction with the small amount of money from the total CPB and PBS budgets available for programming but dismay at the manner in which these funds are allocated, the procedures that are followed and the qualifications of the staff.

These feelings are not often publicly expressed for fear of retaliation and because of the need to do business with CPB and PBS.

These are not just my parochial views reflecting my narrow self-interest. They are widely shared by station presidents, managers, programmers as well as by independent filmmakers, there are dif-

fering views about what might or should be done, but there is a wide consensus on the failure of the present system.

I urge you to continue your support for public television but to couple your support with clear directives for institutional reform that would shrink the bureaucracy, eliminate overlapping organizations and attract competent people who have the capacity to identify and produce quality programming rather than maintaining a vast inefficient and bumbling bureaucracy.

As an indication that my critique is widely shared, I would like to quote from a speech by Larry Grossman, former president of PBS and now the President of NBC News. He said, and I quote:

> What's wrong is that the system, the structure of public broadcasting as it has been designed in this country, is so diffuse, duplicative, bureaucratic, confusing, frustrating and senseless that it is a miracle it has survived at all. It is a system no one in the outside world understands or can penetrate. It is a system that keeps public broadcasting at war with itself. It is a system that insures that public television will remain mired in second-class status with a top heavy, expensive and stifling bureaucracy, a handicap in attracting or retaining truly creative and talented people and an incapacity to make timely program decisions.

Public television is a mess. The fact that it is a mess is not a secret. Everybody knows. What is strange is that nothing is done about it.

People working in public television seem to be incapable of taking corrective action. They are stuck protecting their own baronies, and battles over turf occupy time and energy that should go into programming.

The only leverage point in the system is Congress through the exercise of power connected with appropriations. I am here today to ask you to act on what you and everybody familiar with public television already know: by reorganizing public television, you have an opportunity to have an impact on the educational, artistic, cultural and intellectual life of the country.

Only the Congress has the power to effect the required changes. I urge you to undertake a comprehensive reorganization of public television.

Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF FREDERICK WISEMAN

I am an independent filmmaker with no formal affiliation with any public television station. All of my films have been broadcast in prime time on public television. My entire professional career has been in public television. I care about it. I am committed to it. I regret having to make this public statement sharply criticising the public television system. I am doing so only after many years of private but unsuccessful efforts to call the attention of various administrations of the Corporation for Public Broadcasting (CPB) and the Public Broadcasting Service (PBS) to what I and many others consider to be the major short-comings of the system. Whatever comments I make and however bluntly stated, they are only a reflection of my deep concern for and commitment to the long-term purposes and goals of public television.

I would like to urge this committee to make a thorough study of the way public television actually works and compare the reality with the goals for public television as formulated in the 1979 Report of the Carnegie Commission.

We believe public radio and television can lead the way. Intelligently organized and adequately funded public broadcasting can help the creative spirit flourish. It can reveal how we are different and what we share in common. It can illuminate the dark corners of the world and dark corners of the mind. It can offer forums to a multitude of voices. It can reveal wisdom and understanding—and foolishness too. It

can delight us. It can entertain us. It can inform us. Above all, it can add to our understanding of our own inner workings and of one another.

I suggest to you that realistic assessment of public television would reveal the following:

That the current Board of CPB has few people on it with any experience in broadcasting. The Board is therefore not capable of providing any real direction or supervision to the administration or the staff.

That the administration of CPB is made up of people with no achievement and little experience in broadcasting.

That there is no representation in the Board, Administration or Program staff of CPB or PBS of the area of expertise which is known as filmmaking.

That the program staffs of CPB and PBS derive their authority solely from the chairs they sit in and not from achievement in the program area in which they exercise power. Indeed, some of them were given their positions with no prior experience but were handed the job as an opportunity for on-the-job training. Others on the staffs may have had some experience but little discernible achievement in public affairs, cultural, and children's programming, the areas in which they now have authority and responsibility.

That the present structure of public broadcasting makes it very difficult to attract competent, experienced, well trained people to take staff jobs at CPB or PBS.

That there is a great deal of duplication between CPB and PBS and that large amounts of money are wasted because of overlapping bureaucracies.

That there is little effective coordination of programming decisions between the staffs of CPB and PBS.

That the real purpose of public television seems not to be programming but the maintenance and preservation of the public television bureaucracy.

That the panel process through which the Program Fund of CPB allocates money can only produce mediocre programs.

I would like now to discuss the panel procedure of the Program Fund in some detail as an example of the way major decisions about national programming are actually made in public television, and how this process necessarily results in mediocre programming.

The panel process brings together for two days in Washington, for a one-time meeting a group of people

Who have never worked together before.

Whose knowledge of filmmaking and broadcasting varies from none to considerable.

Who have little or no awareness of other programming decisions and policies of the Program Fund and elsewhere in public television.

Who have no prior or continuing responsibility for the decisions they make.

Who have no opportunity to ask questions of applicants to clarify the panel's understanding of the proposals.

Who are often unfamiliar with an applicant's previous work.

Who do not have the time to look at more than a few minutes of sample work submitted with a proposal.

Who do not spend more than a few minutes evaluating each proposal.

For example, typically a panel meets for 12 working hours over two days and considers 60 proposals. Assuming the panel works every minute, it means that the panel spends 12 minutes on each proposal, including screening time. If we assume that five minutes is spent watching a sample of the filmmaker's work, that leaves at most seven minutes for discussion and voting by the panel members.

The panel process is defended by its advocates as being "democratic." A truly democratic procedure would incorporate principles of professionalism, responsibility, accountability, informed decision-making and the applicant's right to be heard. The net result of the panel process is that no one is responsible, no one is accountable, weak programming decisions are made, and there is no appeal. The panel members disperse after their two day, one-tme meeting. The staff members, when asked, say their hands are tied by the panel whose decision they are bound to resepct "when practicable." The result is that no one minds the store and the public loses out most of all, because the quality of the programming offered to the public is inferior.

I would like to suggest a hypothesis to you. It is only a hypothesis because the information that would prove, disprove, or modify it is not available to me. The hypothesis is as follows: That a substantial portion of the money that is allocated through the panel process is wasted on programs that are not completed, or completed but not broadcast, or broadcast but not watched.

I would like to suggest that your committee thoroughly investigate the Program Fund. The Fund has now been in operation for eight years. The data on its oper-

ation is or should be available to you. If the type of analysis that I am about to suggest has been made, it has not been made available, as far as I know, to the Congress, the stations, or anyone with a professional interest in the operation of public television. It is not accessible to the general public. The following questions should be asked and the answers carefully evaluated:

1. How has the Program Fund money been spent each year?
2. How much of this money has been allocated by the panel process?
3. Who are on the panels and how are they selected?
4. What are the criteria that determine whether money is awarded by panel, staff, or Board decision? For example, what are the criteria for the exemption of Frontline, American Playhouse, and the McNeil-Lehrer Report from the panel process?
5. For each of the panels that have been convened over the last eight years—

(a) What was the total sum available to that panel?
(b) How many applications were received?
(c) What procedure was used to select the projects that were to be considered by the panel?
(d) What costs were associated with that selection procedure?
(e) What were the costs of convening each panel?
(f) How many applications were considered by each panel?
(g) For what length of time did the panels meet? Days? Hours?
(h) What was the average length of time spent on each proposal?
(i) In what order did each of the panels rank the proposals?
(j) If money was not awarded according to the rank ordering by the panel—
(1) Did the next ranked project get selected?
(2) If not, what criteria were applied?
(3) Was this the result of a decision by the Director of the Program Fund? The staff? Their joint decision?
(k) Did a Board member or any officer of the Corporation outside the Program Fund staff ever intervene in a funding decision?
(m) Has the Program Fund publicly identified all the proposals actually funded with the name of the recipient, a brief description of the proposal, and the amount actually awarded?
(n) What is the average length of time between the time that a proposal is submitted and the signing of the contract for a proposal that was selected?

The answers to these or similar questions should be made available to you and to all individuals and organizations interested in public broadcasting. Once this information is available there are another set of questions that I think you should address in the interest of clarifying the goals and procedures of the Program Fund.

1. Of the programs and scripts commissioned by the Program Fund, are there any that have not been completed? If so, what are the reasons for the failure of each to finish?
2. Are there programs that have been completed but not broadcast? Which ones? Why were they not broadcast?
3. Of the programs broadcast, which programs and how many have been included in the PBS core schedule? What programs and how many have been broadcast outside the core schedule?
4. How many stations carried each of the programs?
5. What ratings did each of the programs receive?
6. What was the critical reception of each program i.e., were the films reviewed in the national or local press? What was the response among people who write about public television in different parts of the country?

I would like to suggest to you that the criteria of critical response, size of the audience, and the number of stations carrying a program are one measure of the success of a given program. A comparison could be made between programs funded by the panel process and films rejected by the panels, but nevertheless made and broadcast. If this comparison was made, it would constitute a valuable measure of the panel's effectiveness in picking programs.

The panel process is an example of diffusing decision-making to the point where no one is responsible. It is a process guaranteed to produce mediocre programming. In place of a staff of experienced, professional, responsible commissioning editors, the members of the panels make program decisions. The panel members leave after two heady days in Washington. They have no continuing responsibility. If they made bad decisions, their jobs are not at stake.

The Program Fund staff also has no responsibility. They can turn their palms up and say, as they do, that the legislation requires panels and while they may not agree with a panel's decision, there's nothing to be done. They have to abide by the panel's decision. It takes considerable courage not to accept the panel's recommen-

dations, and while this is occasionally done, it is rare. The result is that no one is accountable. It is this institutionalized lack of accountability that in large part is responsible for the mediocre programming decisions of CPB. The procedure is designed to exclude the basic elements of professional competence and responsibility.

The use of panels is an example of passive decision making. Instead of actively searching out the best filmmakers and the most original and interesting projects, the panel process passively responds to the mailman. The result is that quality, which should be the only criterion, is the least relevant consideration in programming. Personal politics, the buddy system, jealousy, and pop ideology dominate the panels' deliberations.

Filmmakers dealing with public television have a right to be judged by and be responsible to people who understand their work and have the professional competence to assess it in the context of other programs and programming needs. The quality of the work should be the sole standard. Ideology, ethnic background, social goodwill, and trendy labels should be irrelevant. This is not the case in public television.

My conclusions about the Program Fund's lack of accountability and the resulting failure to produce quality programming are widely shared in the public television community. They reflect not just dissatisfaction with the small amount of money from the total CPB budget available for programming but dismay at the manner in which these funds are allocated, the procedures that are followed, and the qualifications of the staff. These feelings are not often publicly expressed for fear of retaliation and becausae of the need to do business with the Program Fund, no matter how bad it is. Make no mistake. These are not just my parochial views reflecting my narrow self-interest. They are widely shared by station presidents, managers, and programmers, as well as by independent filmmakers. There are differing views about what might or should be done. But there is a wide consensus on the failure of the present system.

An alternative model is Channel Four in England. When Channel Four was established, the president and chief executive was a man who had a distinguished career as a filmmaker, film producer, and television executive. He appointed a group of commissioning editors in public affairs, the arts, dramma and documentary. These were men and women with wide experience in their fields, the respect to their peers, and a comprehension of the intellectual, cultrual, political, and artistic life of their country. These editors have the authority to make program decisions quickly. The programs are not necessarily always successful, but the commissioning editors, decisions are at least based on professional knowledge, personal experience, and intellectual depth. If the decision are bad, their jobs are at stake. They in turn are responsible to a president who is a broadcasting professional and to a board that is made up of people who have the professional experience and competence to consider and evaluate the content and technical issues involved in programming.

The reason that the English model is admirable is its reliance on an administrative structure staffed by experts who are accountable for their decisions. The English understand that excellence is not achieved by dispensing money for film production through an alledged democratic process. Moreover, you cannot achieve excellence through a staff that lack the qualification to succeed in private competitive markets. Public television is like a third rate university where everyone has tenure.

People of intellectual and professional competence certainly are working here and there in public television. Unfortunately, most competent professionals would not consider working in public television in its present form.

I urge you to continue your support of public television, but to couple your support with clear directives for insitutional reform that would shrink the bureaucracy, eliminate overlapping organizations, and attract competent people who have the capacity to identify and produce quality programming, rather than maintain a vast, inefficient and bumbling bureaucracy.

As an indication that my critique is widely shered I will close my testimony with a quotation from a speech by Larry Grossman, the former President of PBS and now the President of NBC News.

What's wrong is that the system, the structure of public broadcasting as it has been designed in this country is so diffuse, duplicative, buraucratic, confusing, frustrating and senseless that it is a miracle [it has] survived at all.

It is a system no one in the outside world understands or can penetrate. It is a system that keeps public broadcasting at war with itself. It is a system that insures that public television will remain mired in second class status, with a top heavy, expensive and stifling bureacracy; a handicap in attracting or retaining truly creative and talented people, and an incapacity to make timely program decisions.

I am here today to testify because public television is a mess. The fact that it is a mess is not a secret. Everybody knows. What is strange is that nothing is done about it. People working in public television seem to be incapable of taking corrective action. They are stuck protecting their own baronies and battles over turf occupy time and energy that should go into programming. The only leverage point in the system is Congress through the exercise of power connected with appropriations. I am also here today to ask you to act on what you and everybody familiar with public television already know. By reorganizing public television you have an opportunity to have an impact on the educational, artistic, cultural and intellectual life of the country. Only the Congress has the power to effect the required changes. I urge you to undertake a comprehensive reorganization of public television.

Senator INOUYE. Thank you.
Mr. Riggs.

STATEMENT OF MARLON RIGGS, INDEPENDENT PRODUCER

Mr. RIGGS. Mr. Chairman, my name is Marlon Riggs. I am an independent documentary producer. My most recent work, Ethnic Notions, was just broadcast as a PBS special in honor of Black History Month. Besides PBS, "Ethnic Notions" is screened at film festivals worldwide, receiving top honors, from Best Documentary in the San Francisco International Film Festival to a special invitational screening at this year's International Public Television Festival.

I am here to describe what it is like to be a smaller independent producer in America: in a word, dismal. Keep in mind that for many producers like myself, I represent a triumph. My program has aired nationally in prime time. The reviews have been near unanimous in their praise.

Why, then, am I so bleak? In part because it took nearly five years to make this film, and four of those were spent hustling, pleading, begging and raising the money to make this documentary happen, and in the process being repeatedly slapped in the face with this brutal reality: emerging independent producers, producers of color, producers with voices and visions that risk upsetting the status quo, that challenge not only what public television says but how it says it, that these producers have been pushed to the very bottom of the list when it comes to funding and programming priorities for public broadcasting.

Three times I applied to CPB for support of Ethnic Notions; three times I was rejected. Three times I applied to the National Endowment for the Humanities; three times I was rejected. I applied to the Ford, the Rockefeller and the Skaggs Foundations; rejected, striking out repeatedly.

I was tempted often to just give up, but what dismayed and nearly defeated me and what defeats so many others were not just the rejections but the reasons. Too controversial said one agency; too sensitive said another; not appropriate for a television audience.

This, of course, regarding Ethnic Notions, a documentary which for the first time systematically traced the history of racial caricature and stereotype and America.

Why resurrect the ugly past, asked one CPB panelist. Why not do instead something positive, uplifting. The best approach to this subject, advised another CPB juror, would be "with humor".

Dumbfounded, I realized that the principle of diversity preached by public television and its funding entities was little adhered to in practice.

As I scanned the programs that did get funding and were then scheduled in prime time, it became disturbingly clear where the new priorities lay: The same, the tame, the safe. Animal shows, opera, ballet and symphony shows, money shows, constitution shows, retrospectives on dead Hollywood actors, the usual staple of British imports and generally noncontroversial, unprovocative series produced by station consortia.

In the scheme of things, diversity and innovation, the principal virtues of the smaller independent occupied a very tiny place. Of course, the shining exception is Eyes on the Prize. Yet, even in this exception the producers still found the fundraising an uphill battle.

If it is like this for him, imagine the structure for the rest of us. Imagine being told, as I was, once you finally raised all the money and actually finished the documentary that, sorry, the fundraising is not over yet. In order to get your program on PBS you have to pay PBS; that is, raise $15,000 to $20,000 more to cover packaging and promotion. On top of that, you, the producer, have to find funding for your acquisition fee.

To describe this situation as an insult and exploitation is an understatement; yet, it is a situation that independents in America have faced over the years and face today: to struggle largely without support, to build on their own a record of popular and critical acclaim, and to have public television jump on the bandwagon and take the credit.

Worse, at the end of this nasty process the independent too often is left holding a bag of financial debt.

In my eight years as a smaller independent, in my knowledge of what others like me so often face, I have come to this conviction: Public television in America needs independents because we reflect the greater diversity of this land. We take the risks, and through our work we push the boundaries of what television can do and strike resonant chords of public response.

But to do our work and do it well, independents need a place well defined, well financed, that nurtures new talent, encourages experimentation, fosters true artistic, cultural, ideological and ethnic diversity, is unafraid of controversy, a place, a lab if you will, a television lab that awakens and challenges audiences, boldly taking them where television has never taken them before.

Not only do independents need such a place, public broadcasting needs it if it is ever to fulfill its promise of being a true alternative, not an upscale imitator in television programming.

Senator INOUYE. Thank you very much, Mr. Riggs.

Mr. Sapadin.

STATEMENT OF LARRY SAPADIN, CO-CHAIRMAN, NATIONAL COALITION OF INDEPENDENT BROADCASTING PRODUCERS

Mr. SAPADIN. Mr. Chairman, I would like to thank you for the opportunity to present testimony today concerning the reauthorization of funding for CPB. I am speaking to you today as Co-Chair of the National Coalition of Independent Public Broadcasting Produc-

ers, an organization which since 1984 has been representing independent producers in the public broadcasting arena.

Independent producers create films and television programs from a personal vision shaped by their experience and concerns. They work outside the mainstream of commercial production, often spending years on their subject, as you have heard.

This year's Academy Award nomination for documentary features, all independents, suggest the range of work: Eyes on the Prize; Radio Bikini; A Stitch For Time, about peace quilters; and The Ten-Year Lunch, about the Algonquin literary figures.

Given the opportunity, independents can bring to the American public through public broadcasting a rich diversity of expression, information, points of view; but they must be given the opportunity.

Twenty years ago public broadcasting was created with the mission to bring to the American public programs that included, and I quote from the Carnegie Report at that time, "all that is of human interest and importance which is not at the moment appropriate or available for support by advertising."

Ten years ago Congress, recognizing the important role independent producers could play in enriching and enlivening the system, required that CPB reserve a substantial portion of its national program dollars for distribution to independents through a fair and diversified process of panel review of proposals and direct funding of producers.

Today, public broadcasting is a billion dollar industry built with taxpayer dollars. Congress has a great investment in this system financially and in terms of communications policy. Yet, today public TV programming has come under scorching criticism, not just here but from the mainstream press from TV Guide to Harpers Magazine, even to Connoisseur Magazine.

Only about a week ago a commentary on the CBS Sunday Morning Show suggested that public TV programs had become "too respectable, too safe, too timid, too conscious of its upper and middle class pledge donors and of the big corporations that now dominate most of public television programming."

Not coincidentally during this period, smaller independent producers have been virtually shut out of the system, despite Congress' clear intention that they be full partners.

In its headlong rush to attract corporate underwriters and well-heeled contributors, public broadcasting has lost the will to effectively fund the single program supplier. Prime time programming is the rule, generally in series formats, developed and administered by the major producing stations.

Today, over 80 percent of CPB's national production funds are distributed without panel review of program proposals. Instead, multi-million dollar block grants are transferred to station consortia where executive producers have the unbridled discretion to handpick their program suppliers.

In the case of Frontline which came up for discussion earlier today, we find that 42 out of 75 productions in the first five seasons were produced by just seven producers, all or most with longstanding affiliations with the host station.

In fact, in 1987 only six non-Frontline programs were funded in the area of public affairs.

However you define independents, these practices do not promote diversity of viewpoints within the public broadcast system. Of the remaining 20 percent of the funds that are actually administered by CPB, 10 percent go to station productions.

Thus, 10 years after the 1978 so-called independent mandate, only about 10 percent of hate national production funds are in fact distributed directly to independents in the manner required by Congress.

Even there, station criteria predominate. Since 1985, CPB has reserved almost half of the panel's seats for station personnel in the panel review process. As a result, the criteria once again are safe prime time programming, not diversity, not innovation.

In an effort to reverse these trends, independent producers have proposed the creation of a national independent program service that would have the unambiguous mandate to fund the production acquisition, promotion and distribution of independently reproduced programming.

The service would operate as a risk fund, as a laboratory in which the only criteria would be excellence, diversity, innovation, providing the system with a stream of programming delivered through all appropriate distribution mechanisms.

Without such a pool of funds protected from the unyielding pressures of the public broadcast marketplace, the public broadcasting schedule will be incomplete. The national independent program service will enable public broadcasting to rediscover its mission and provide the American public with noncommercial programming that challenges viewers and expands the boundaries of television as we know it.

The talent is there. All that is required is the creativity and resolve on the part of this committee to create a structure that will promote rather than frustrate the mission of public broadcasting.

Thank you.

[The statement follows:]

STATEMENT OF LAWRENCE M. SAPADIN, CO-CHAIRMAN, NATIONAL COALITION OF INDEPENDENT PUBLIC BROADCASTING PRODUCERS

Mr. Chairman and members of the Subcommittee, thank you for this opportunity to present the views of the independent producer community on proposed Senate Bill No. 2114, and on the role of independent producers within public broadcasting.

I am presenting this testimony as co-chair of the National Coalition of Independent Public Broadcasting Producers which, since 1984, has been representing the concerns of independents in public broadcasting, and as executive director of the Association of Independent Video and Filmmakers (AIVF), a national membership organization of over 4,500 independent producers and individuals working in motion picture and television production.

We are pleased that the Subcommittee is proposing an increase in funding for public broadcasting, at least to the extent that such increased support may make it possible for the system to offer the American public more and better programming and to fulfill its mission of providing a non-commercial alternative to network television. We are not optimistic, however, about the ability of the system, as currently structured, to fulfill its mission to provide diverse and innovative programming responsive to the needs of the American public.

Public broadcasting has been the subject of considerable criticism recently. A two-part article in last August's *TV Guide* concluded that the public broadcasting system "lacks strong, cohesive, visionary leadership at the national level." In the *Columbia Journalism Review,* John Wicklein, former director of news and public af-

fairs programming at CPB, observed that "as presently financed and administered, public broadcasting is vulnerable not only to political pressure but also to pressure from large corporations." John J. O'Connor, writing in the August 23 *New York Times*, described public television as "severely, perhaps fatally, crippled by misguided financing policies and . . . ideological infighting, which has often resulted in funds being funneled into plant and equipment rather than programming production." Most recently, a commentary on the March 6, 1988 CBS Sunday Morning show suggested that public broadcasting has become "too respectable, too safe, too timid, too conscious of its upper-middle-class pledge donors and of the big corporations that now dominate much of public television's funding."

Senate Bill 2114 fails to address—other than by proposing to increase funding—these central programming issues.

Today, the independent producer community is proposing a solution which would broaden the scope of public television programming and make it more responsive to the American public. The National Coalition of Independent Public Broadcasting Producers is calling for the establishment of a National Independent Program Service with the unambiguous mandate to oversee the selection, funding, promotion, and distribution of independently-produced public television programs. In addition the National Coalition is seeking the legislative protection of funding for the minority programming consortia that help package and distribute minority-produced programs to the public broadcasting system. We urge the Subcommittee to amend Senate Bill 2114 to include these proposals.

I. PUBLIC BROADCASTING'S MISSION IS TO PROVIDE A NON-COMMERCIAL ALTERNATIVE TO NETWORK TELEVISION

Public broadcasting was established to provide a non-commercial alternative to mainstream television, and thereby to free the art of television from the shackles of ratings, demographics, and the demands of advertisers. The first Carnegie Commission Report articulated the goal of a public television that included "all that is of human interest and importance which is not at the moment appropriate or available for support by advertising . . ." (Public Television: A Program For Action, Bantam Books, January 1967, page 2).

The Second Carnegie Commission stated: "The programs we conceive to be the essence of Public Television are in general not economic for commercial sponsorship . . . and are directed at audiences ranging from the tens of thousands to the occasional tens of millions" (A Public Trust, Bantam Books, April 1979. p. 3).

The founders and leaders of public broadcsting recognized that commercial broadcasting would never, by itself, provide a true marketplace of ideas. True diversity required the creation of a public space in telecommunications where the principle criteria would be diversity and excellence, and emphatically not commercial viability.

Public broadcasting was created to be different.

Recent widespread criticisms of the growing similarity of public broadcasting with commercial television underscore the need for a non-commercial sources of funding. This was, is, and will always be true if public broadcasting is to be what the first Carnegie Commission envisioned: ". . . an instrument for the free communication of ideas in a free society" (Ibid. at 8).

II. INDEPENDENT PRODUCERS HAVE A HISTORY OF SUPPORT FOR PUBLIC BROADCASTING

Since the inception of public broadcasting twenty years ago, independent producers have been strong supporters of a truly public, diverse, non-commercial telecommunications system.

For independents, public broadcasting represents the only major broadcast outlet for their work in this country. For the American public, public broadcasting is the only mass medium by which they can receive and appreciate independently-produced programs.

Independent producers and the founders of public broadcasting have shared the goal of a broadcast medium that can and will deliver to the American public high-quality cultural and informational programming free from the sponsorship and ratings constraints of commercial broadcasting.

III. INDEPENDENT PRODUCERS PROVIDE HIGH-QUALITY, DIVERSE PROGRAMMING

Independent producers create films and television programs from a personal vision shaped by their experiences and concerns. They work in all formats and genres: dramatic feature films, documentaries, animation, experimental film and

video. Typically, they work outside the traditional production centers of Hollywood movie-making and network television. Independents tend to work regionally, providing a voice for citizens throughout the nation.

Many women and minority producers, in particular, facing continued obstacles to working within the commercial industry, work independently. Overall, independent producers are passionate about their stories, and work close to their material. Their work reflects the diversity of political, cultural, and social life in this country and enriches public discussion.

Independents are the authors of their work. Independent work is not sponsored or commissioned by an agency having control over the result. The essence of independent production is editorial, budgetary, and copyright control.

IV. INDEPENDENT PRODUCTION PROMOTES FEDERAL POLICIES FAVORING DIVERSITY IN PUBLIC BROADCASTING

In the 1978 Public Telecommunications Financing Act, Congress sought to increase the quantity of program production. It called upon CPB to promote the production of programs "of high quality, diversity, creativity, excellence and innovation, which are obtained from diverse sources" (§ 396(g)(1)(A)) (emphasis added). House and Senate conferees explicitly recognized "the important contributions independent producers can make in innovative and creative new programming" (Conference Report No. 95–177, at 5396).

House Telecommunciations Subcommittee members heard testimony about the substantial overhead charges added to the cost of station-produced programs. By contrast, they were impressed by the ability of independent producers to provide high-quality programming "at a substantially lower cost than in-house productions" (House Report No. 95–1178, at 5357).

In its effort to promote diversity and innovation in public broadcasting, Congress looked to independents to play a major role in program production for the expanding system, and provided procedures such as peer panel review, to promote independent's access to the system.

V. THE 1978 ACT SOUGHT TO SUBSTANTIALLY INCREASE PARTICIPATION BY SMALLER INDEPENDENT PRODUCERS

Following hearings, the original House Subcommittee bill was amended to require that a "substantial amount [of CPB's program dollars] shall be reserved for distribution to independent producers . . . for the production of programs" (§ 396(k)(3)(B)(i)). House and Senate conferees stated that:

"In agreeing to the term 'substantial amount' for independent producers, it is the conferees' intention to recognize the important contribution independent producers can make in innovative and creative new programming. By 'independent producer' the conferees have in mind producers not affiliated with any public telecommunications entity and especially the smaller independent organizations and individuals who, while talented, may not yet have received national recognition. The talents of these producers have not been adequately utilized in the past" (House Conference Report No. 95–177 at 5396) (emphasis added).

In presenting the final bill on the House floor, one of the bill's sponsors, Congressman Henry Waxman (D–CA) clarified for the record what was intended by the language "substantial amount:"

"Mr. Speaker, I supported the amendment in subcommittee, and I wanted to clarify one aspect of it on which the legislative history is silent.

In adopting this amendment, the subcommittee was being sensitive to the criticisms that the system has not been fully responsive to the independents' need for access.

In subcommittee discussion of this amendment, is was asked what was meant by the requirement that 'a substantial amount' of CPB's programming funds be reserved for independents.

It was agreed that the subcommittee intended that this requirement be interpreted by the Corporation for Public Broadcasting as meaning at least 50 percent of such funds be so reserved" (Congressional Record, July 10, 1978, H. 6316).

This understanding was subsequently communicated directly to CPB President Robben Flemming in two letters dated July 17, 1979 and December 13, 1979 in which Representative Waxman reiterated the subcommittee's intention:

"We made clear not only that 25% of available funds be spent on programming . . . but also that half of those funds be available to independent producers" (7/17/79).

"It would not be correct to conclude that any lesser figure would be consistent with the legislative history of section 396(k). I engaged in my colloquy with the Chairman precisely to make the record clear on this point" (12/13/79).

VI. CONGRESS HAS EXPRESSED A CLEAR PREFERENCE FOR THE USE OF OUTSIDE PANELS IN PROGRAM SELECTION

The final 1978 legislation also included a provision requiring the use of panels in the selection of program proposals. Proposals for both series and individual programs are to be made "on the basis of comparative merit by panels of outside experts representing diverse interests and perspectives "wherever practicable" (§ 396(g)(2)(B)(i)). The panel requirement was designed to promote CPB support of television programs that reflect the many communities of interest in the U.S., and which stand as an expression of diversity and excellence (§ 396(a)(5)).

VII. CPB HAS FAILED TO ACHIEVE PROGRAM DIVERSITY THROUGH THE SUBSTANTIAL PARTICIPATION OF SMALLER INDEPENDENT PRODUCERS

A. CPB's Early Programming Efforts Pointed the Way Toward Greater Diversity

In response to the Congressional policies and mandates set forth in the 1978 Act, CPB established the Program Fund to distribute production funds to stations and independents for national programming. The CPB board adopted "Program Fund Policies and Procedures" that reflect the Corporation's understanding of Congress's intent. According to this document, the process for distributing funds would involve:

1) the use of "a detailed request for proposals to provide producers with all the information they need to compete for funds." (Policies and Procedures, p. 4),

2) dissemination of this "RFP" as widely as possible, including to CPB, PBS, and NAEB [now defunct] newsletters, to the general and trade press, to independent producers, and to organizations, trade groups, special interest and women's groups; in addition, a special newsletter would be created to notify all independent producers about guidelines and priorities for funding (Ibid. at 6),

3) use of panels of outside experts to advise in the selection of proposals for programs.

Concerning independent producers, CPB established the following definition: "An independent producer is any producer who is in complete control of the content and the budget of the production." (Ibid. at 13). The CPB Policies further provided:

"In making grants, the Program fund will observe the spirit and the letter of the Congressional mandate to ensure that a substantial portion of the money goes directly to independent producers who submit proposals of quality that fall within the guidelines and priorities set up by the Board of Directors." (Ibid.) (emphasis added).

In 1980, the Program Fund initiated two series specifically designed to encourage participation of smaller independents: an independent anthology of 30 minute pieces, and a series of one hour documentaries entitled Crisis to Crisis. Both series used the mechanisms detailed in the Policies and Procedures: request for proposal, wide circulation of information, panel selection, and direct funding to the producers.

Funding of the Independent Anthology resulted in 23 wonderfully diverse pieces, including animation by Faith Hubley, a film co-directed by the acclaimed photographer Robert Frank, a project by the internationally renowned opera writer/director Robert Wilson, as well as work coming, geographically, from Hawaii to Vermont, and in genres ranging from the personal essay to the hard-hitting documentary. The series was a cornucopia of independent work, made available to the American public over its public broadcasting system.

Crisis to Crisis, a series of one hour documentaries, was more consistent in its purpose, but enjoyed a broad range of opinion and style. It, too, drew on the talents of independent producers from across the nation, who obtained access to public broadcasting through the policies and procedures developed by CPB in response to the Congress's concerns.

B. CPB Has Abandoned the Diversity of Independent Production in Favor of Safer, More Uniform, Station-Based Production

Pressed by funding cuts and rescissions in the early 1980s, and the stations' insatiable appetite for a greater share of CPB's program funds, CPB began to bend its funding policies away from direct funding of independents toward increased funding for stations and station consortia. As more funds passed to station consortia, rather than directly to independent producers, the use of selection panels also declined.

This period also saw the increased influence of corporate sponsors, actual and potential, who could underwrite programming without taxing the stations' existing government support. (See "Sponsors Call the Shots on Public TV," Variety, 11/13/85). At the same time, the system made a priority of increasing member/subscriber support, creating irresistible pressure to program for the 10% of the audience that did, or could, pledge support, at the expense of the much broader and diverse American public that chose not to.

Predictably, these marketplace pressures had a devastating impact on independent production on public television. In early 1982, CPB announced the establishment and funding (with $5 million: at the time its largest grant ever) of a documentary unit based at WGBH/Boston (for a series later entitled Frontline); later that year, a consortium for children's programming based at WQED/Pittsburgh was established. Crisis to Crisis, the series designed for smaller independents, was discontinued. The following year, the Independent Anthology (aired under the name Matters of Life and Death) was also de-funded.

While the major station-based series employ the talents of independents in the production of some of their programs, the selection of producers is at the sole discretion of the series executive producer, generally without any systematic outreach and with no panel selection process. Procedures, therefore, lack the fundamental fairness provided by CPB's own policies, as well as federal policy in this area. As greater procedural control is ceded by CPB to the station producers, policies favoring programming diversity have been frustrated, and programming has become more homogenous.

Frontline has far less diversity and fewer viewpoints than one would have a right to expect of the system's only regular documentary series. In fact, in the first five seasons of Frontline, seven producers made 42 of Frontline's 75 programs, receiving 63% of the five seasons' budget of $16 million.

Moreover, Frontline producers do not retain editorial control or ownership of their work. When the series was first announced, independents protested the series' violation of CPB policies. Under questioning by the CPB Board at its March 3, 1982 meeting, then-Program Fund Director Lewis Freedman conceded that the series could not be considered "independent." Yet CPB has consistently included Frontline in its calculation of independent funding.

In 1984, prompted by Congressional reauthorization hearings, CPB entered into negotiations with national independent producer representatives and agreed to exclude Frontline from the tally of independent production. Indeed, then-Board Chair Sharon Rockefeller testified before a House Subcommittee that CPB had agreed that "the Frontline project, for example, does not fall within [CPB's] defintiion [of an independent production]." Hearing Transcript, Serial No. 98-158, March 29, 1984. Notwithstanding those public assurances, CPB has continued to report Frontline as part of its fulfillment of the Congressional mandate to open its doors to independent producers.

C. Statistics Demonstrate the Declining Diversity in Public Television Programming and the Marginalization of Independent Production

Based upon CPB's own figures for Fiscal Year 1987 (from the Program Fund Annual Report, dated 9/18/87), only about 20% of its national program funds were submitted to panels of outside experts at the program selection stage, as required by Congress. These funds were distributed through what is called the Open Solicitation process. The rest of the funds were distributed in multi-million dollar block grants to stations and station consortia. (CPB's report erroneously includes as "subject to panel" station-based series which are reviewed once each year, after-the-fact.)

In 1987, of even the relatively small portion of program funds remaining for distribution through the Open Solicitation, more than half was distributed to station productions. In the final analysis, only about 10% of CPB's national program production dollars were distributed by CPB directly to independent producers using the panel process required by Congress, and by CPB's own Policies and Procedures.

The statistical impact is even more telling when we consider funding for public affairs, an area of production in which independents are perhaps best known. In 1987, less than 20% of CPB's public affairs funding (excluding Frontline funding) was distributed directly to independents for independent productions. This funding represented only six individual independent projects for the entire year!

VIII. INDEPENDENT PRODUCERS ARE PROPOSING A "NATIONAL INDEPENDENT PROGRAM SERVICE" TO INCREASE THE PARTICIPATION OF INDEPENDENT PRODUCERS, AND TO PROMOTE DIVERSITY AND INNOVATION IN PUBLIC TV PROGRAMMING

For most of the past ten years, and despite clear Congressional policies and directives favoring diversity in program sources and points of view, the overriding trend in CPB funding has been away from the direct funding of independent producers and toward increasing funding and control by stations and station consortia.

Independent producers, recognized by the first Carnegie Commission as an important resource but not addressed in legislation until 1978, have struggled for ten years with vague or inadequate language. Representatives of the National Coalition of Independent Public Broadcasting Producers have met repeatedly with CPB officials in an effort to increase the participation of independent producers, but with little success.

Today, we are proposing that CPB be required to fund a National Independent Program Service with an unambiguous mandate: to serve audiences presently neglected by public television and to develop new audiences for innovative programming. These funds would constitute a "risk fund," a broadcast laboratory, a long-overdue research and development department, not just for public television but by example for American broadcasting as a whole. The past ten years have provided overwhelming evidence that without such a discrete fund the station's headlong rush to commercialism will overwhelm all attempts at programming innovation. If we are dedicated to diversity, if we believe in the invaluable contribution of truly independent voices in our society, then we should not shy away from the responsibility of creating an entity unambiguously dedicated to this goal.

While some will always argue that there is not enough money to take a risk on experimentation or to serve minority interests, we believe that a system which will not invest in its future will have no future. Surely out of an appropriation of more than two hundred million taxpayer dollars, out of system revenues considerably greater than one billion tax-exempt dollars out of a hundred billion dollar television industry, we can afford to produce just a few hours a week of programming which will push forward the frontiers of American television. Surely there must be room on the vast broadcast spectrum for some programs over which the Nielsens do not cast their deadening pall. Isn't this what public television was supposed to do all along?

A National Independent Program Service would not take one dollar away from the system. In fact, it would provide a more efficient mechanism to insure that scarce dollars are directed where they are most needed: the production of diverse, new programming. We have proposed a National Independent Program Service, as opposed simply to a set-aside for independent productions, precisely because it offers an integrated broadcast solution to the challenge of programming diversity. This service would not just fund, but also package, distribute, and promote programming designed specifically to develop new public television audiences. It would bring coherence and vision to the body of independent production. It would work with individual station managers and with PBS to discover more effective ways to schedule innovative work. It would give character to the unorganized program schedule outside public television's prime time, encouraging more efficient use of public television licensee's airtime. This broadcasting mini-service would provide a lively counterpoint to the system's core prime time offerings.

Why are we so sure that a National Independent Program Service will do any better than CPB in assuring funding and distribution of independent productions of diversity and innovation. Won't this be likely to become just another inefficient bureaucracy superposed on an existing one?

While no program can be assured carriage in a system where each of 300 licensees retains jealous control over its own schedule, we are confident that a National Independent Program Service will make it easier for stations to schedule and promote diverse, independent work effectively. A reliable stream of exciting, high-quality programming, skillfully packaged and promoted, will offer stations an irresistible incentive to carry independent work. It is inconceivable that a system reduced to reruns of Lassie, Leave It to Beaver, and endless repeats of imported British melodramas would find no place for programming from America's outstanding award-winning film and video producers.

The National Coalition's proposals are modest and achievable; they require no change in the essential structure of public broadcasting; they offer a unique chance to explore possible long-term scenarios for the future of public broadcasting. Our proposals recognize the essential new flavor of programming services insulated form the station's commercial pressures and dedicated only to bringing all the voices of

America—challenging, sometimes raucous, always dynamic—back to the airwaves. Our proposals will work; they have the overwhelming support of the independent producing community and many observers of the public broadcasting scene. The talent is there. All that is required is the creativity and resolve to establish a structure that will promote rather than frustrate the production of diverse and innovative programming for public broadcasting and the American public.

Senator INOUYE. Thank you very much. Regretfully, I must announce that a vote is pending now in the Senate, and I will have to return to the floor for that purpose.

Am I correct to assume that all three of you support the definition of independent producer as found in H.R. 4118?

Mr. SAPADIN. Yes, sir.

Mr. RIGGS. Yes.

Mr. WISEMAN. Yes, sir.

Senator INOUYE. I have several questions I would like to submit to the panel and request that you respond to them.

I would like to recommend very strongly that CPB, PBS and National Public Radio get together with the members of the last two panels and discuss these matters that have been brought up today.

I think it would be most helpful to this committee if we could get some sort of public accord on matters that we have discussed.

The bill that is pending before us is not one that one can be designated as assured of passage, and if we present a divided case to the Senate and the Congress the success quotient gets smaller and smaller. So I would suggest we all get together on this.

Finally, I have over the years met with many of the members of the Board of CPB, and I think in fairness to them I would say that all those I have met were highly dedicated people. Granted, they were not all technicians, but this is public broadcasting, and I would assume that it was meant to be public in the sense that we would have people of different backgrounds and talents, including those who are talented in raising funds and attracting those who have funds.

So I cannot see any board, whether it is public or commercial, made up of just technicians.

With that, I would like to thank all of you for helping this committee as we progress on this measure. We assure you that the record will be open for at least two more weeks to get additional information or testimony that you wish to share with us. I would keep the record open to the first panel if they wish to respond to the concerns expressed by the remaining two panels.

Thank you very much.

[Whereupon, at 11:45 p.m. the hearing was adjourned.]

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

KALW·91.7

March 28, 1988

Ernest F. Hollings, Chairman
Daniel K. Inouye, Chairman, Communications Subcommittee
Committee on Commerce, Science, and Transportation
U.S. Senate
Washington, D.C. 20510-6125

Dear Senators Hollings and Inouye:

Your letter inviting me to give testimony during the re-funding of public broadcasting arrived at the same time that I heard definitively about the stopping of an important Spanish language news service which KALW has been broadcasting for the past two years, ENFOQUE NACIONAL. I thank you for the opportunity to provide testimony and feel that it is important that we survey both the current and past efforts to insure adequate representation of minority concerns programmatically and in terms of personnel.

My testimony is divided into four parts. Local impact will cover how my particular station located in San Francisco and broadcasting to a market that has a large latino population has reacted to the unavailability of ENFOQUE NACIONAL and the decrease in service being provided by the Latin American News Service (LANS).

Global impact will present my best estimate of how the reduction of Spanish language service will impact on how CPB-funded stations and programs will be received by the Hispanic and other minority communities.

Documents presents the fruit of extensive research carried out about the problem of minority under-representation by the CPB-funded MINORITY TASK FORCE which reported its findings in 1978, ten years ago, and whose recommendations and findings sadly remain substantially applicable today.

Solutions presents a positive plan which responds to the existing dearth of minority-oriented programming in public broadcasting, both for TV and radio.

LOCAL IMPACT OF NPR's DECISION TO CANCEL ENFOQUE NACIONAL

The decision to cancel ENFOQUE NACIONAL is very bad news for KALW listeners. The weekly Spanish-language news summary will no longer be produced or distributed due to National Public Radio's programming decision.

Instead, NPR will produce more than 12 minutes a day of news items about latino matters. KALW will carry this new source of latino news during our 11:30am-noon news block weekdays. In

KALW FM 91.7 2905 21ST STREET SAN FRANCISCO, CA 94110 (415) 648-1177
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

addition, we will now carry the Latin American News Service's (LANS) English language daily feeds. LANS, the source of much latino breaking news, is a widely-respected news service organized out of El Paso's KXCR-FM and supported by a CPB grant.

ENFOQUE has provided national and international Spanish-language news to a growing number of non-commercial and lately, commercial radio stations throughout the nation. Its demise will leave public radio without this unique service.

The immediate cause cited for the cancelling of the program is "budget limitations". At $200,000 per year, it is not much money if we consider that public broadcasting, as a whole, will be receiving $214 million dollars from the Congress to operate this year.

The probable reason that ENFOQUE is not being funded again is that priorities have changed, and special interest audience program materials are simply not that popular. Fewer than one-third of the 300 plus NPR stations have carried ENFOQUE.

Traditionally, when a special-interest program is de-funded, the "make-good" or "solution" for those people who are no longer going to be served is to offer "mainstreaming" of similar program material. While a listener can no longer receive a whole half-hour of Spanish language news at one time each week, under the new NPR plan a listener can tune-in to the regular 90-minute Morning Edition or All Things Considered and hear, somewhere in there, a 2 or 3 minute piece <u>about</u> latinos or about latino concerns. The same newsroom will produce a distinct "modular service" containing several "latino" stories. That is the new feed that KALW will use to provide latino programming.

Mainstreaming is carried out in order to accomplish higher ratings. Higher ratings are desireable because it means that more people are using the broadcast service. Research has shown that foreign language programming "stops audience flow". And public broadcasting, similar to any broadcaster, wants to have the highest possible flow and ratings.

Whatever the rationale, it will no longer be possible for us to carry ENFOQUE NACIONAL. KALW does not have the $200,000 to spend on a weekly half-hour Spanish language news program, so we have made the best of it. Listeners who tuned in the Spanish language weekly news service will no longer have that programming option available to them. This is a reduction of service.

Instead, KALW will broadcast more than one-hour a week of English language programming <u>about</u> latino themes. Not the same thing as ENFOQUE NACIONAL.

KALW's listeners have been invited to comment about this new programming and to suggest alternatives and will do so in the coming months. Enclosed for your information is a copy of the

KALW-FM program guide, which shows how this station has adapted to not having ENFOQUE NACIONAL anymore (Attachment 1). While the loss of ENFOQUE NACIONAL seriously hampers us in providing a full range of minority programming of national broadcast quality, there is still considerable focus on programming that is related to minority populations including the daily Chinese language simulcast of the local ABC-TV news.

GLOBAL IMPACT OF CUTTING ENFOQUE NACIONAL.

The loss of ENFOQUE NACIONAL will mean that 80 stations that are currently carrying the program will have to fend for ourselves, and possibly drop any on-going programming that is like ENFOQUE. Without the ENFOQUE program as a "hook", stations will be tempted to opt out of any specific coverage or programming that would build a latino audience. A station needs a "tentpole" to help organize local programs with a similar orientation.

As a system, NPR will be viewed by the latino community as serving less the latino community. English-language programming about latino's will not accomplish the same level of attraction that a Spanish language program does. Enclosed are articles relating to the case of the NPR affiliate in Seattle which dropped its national and local latino programming (Attachment 2).

DOCUMENTS

The Corporation for Public Broadcasting undertook a study of minority programming, staffing, and issues in 1977-1978 which cost more than $400,000. The study was accomplished using the best and most knowledgeable people and was national in scope. Public hearings were held in cities throughout the nation. The results of that study still hold, and the recommendations are as applicable today as they were ten years ago.

I am enclosing the summary findings and recommendations of that study so that this material, paid for by tax monies, will again be available to the public and to you, our legislators, so that you might benefit from the considerable effort and wisdom represented there (Attachment 3).

A DREAM DEFERRED was a final summary document produced by representatives of the CPB MINORITY TASK FORCE and summarized the progress along the road towards parity, fairness, etc., to which the Task Force had addressed itself. The conclusion was that lip service had been provided, and that some modest, very modest progress towards making various of the public broadcasting gatekeepers "sensitive" to the concerns of the U.S. minority community. A DREAM DEFERRED is on file at the Corporation for Public Broadcasting.

In 1980, one year after A DREAM DEFERRED was written and presented to the CPB Board of Directors, a new trend in public

broadcasting began to become evident, signaled by the drastic reduction of the Corporation's Minority and Women's Training grants. These are now currently funded at less than one-half the level attained in 1979. The need to which that particular program addressed itself remains even more acute today. There are still extremely low participation rates for minorities and women in positions of responsibility at public radio and TV stations throughout the U.S., as well as at the national organizations. Employment statistics maintained by C.P.B. verifies this continuing need.

PROPOSED SOLUTIONS

In mid-1975, while a CPB training grant recipient at KQED-TV in San Francisco, I worked with Open Studio Television, a small, 7 person production unit that produced more than 220 one-half hour TV programs each year with a wide range of community groups in the San Francisco Bay Area. An important number of these programs, perhaps more than half, represented minority achievements, culture, art, political and cultural concerns. Several of the programs, despite extraordinarily difficult production conditions, won local Emmy awards and other broadcasting awards for excellence.

This experience led to me write an article for the National Associations of Educational Broadcasters (NAEB) in which a plan is presented that would encourage local program production, and in a major way and also encourage programming for by and about minorities and women. The subhead of that article states:

"If a station takes the idea of building a minority audience seriously, and if prime time scheduling commitments are made, this would require the creation of some increased production capacity. Here are some workable ways to do that."

The full article titled "Toward 'Unfringed' and Open Programming: Some Workable Suggestions" is enclosed as Attachment 4. Because the article was written in 1976, the costs cited need to be adjusted. The plan as written is for TV, it can easily be adapted for radio.

If you have any further questions, please contact me here at the station.

Sincerely,

Daniel del Solar
General Manager

enclosures: Attachment 1-4 were not reproducible and are in the Committee files.

STATEMENT OF THE ASSOCIATION OF INDEPENDENTS IN RADIO

Mr. Chairman, Honorable members of the Committee:

Once again, we come to you as independent radio producers through the only organization that represents our interests, AIR, The Association of Independents in Radio.

We have consistently been major contributors to public radio, producing 20 to 30% of the daily programs that are public radio to listeners throughout the country: "All Things Considered" and "Morning Edition." We have also been the creators of thousands of individual programs which we distribute to stations on our own. We are the diverse voices that help give public radio its special character.

This Committee, and its House couterpart, have seen fit to include independents in the legislation that funds public broadcasting, for which we are extremely grateful. Yet, despite your mandate for independent participation, we find that fair rates for our work, consideration for our opinions, and especially airtime for our programs are very scarce in 1988. Fair rates are an immediate economic concern to many independents, but what worries us all is the lack of leadership in the public radio system.

Our colleagues, the public TV independents, have called for the establishment of a National Independent Program Service to fund and distribute independent productions. As we see opportunities for distinctive, provocative radio programs disappearing, and as we see the major public radio institutions retreating from bold leadership, we are compelled to contemplate a similar fund for independent public radio productions.

It's true that the Corporation for Public Broadcasting, through its annual $3.6 million Radio Program Fund, has supported several major series produced by independents. But CPB does nothing to make certain that fair rates are paid by its grantees for acquired independent work, in the way that the National Endowment for the Arts makes certain that union rates are paid to artists employed by NEA grantees.

Recently, Baltimore station WJHU-FM's "Soundprint" documentary series was funded by CPB with an $800,000 grant for 78 programs-- more than $10,000 each. CPB considers this grant money allocated to independent work. Yet WJHU is offering $1500 - $2200 per program to independent producers, which falls far below the real cost of documentary production.

National Public Radio (funded directly and indirectly by CPB) distributes a very limited number of independent programs. NPR also depends on independent producers and reporters to file stories for its own daily news and performance vehicles.

Yet, when we act as reporters and producers for NPR, it pays us at a considerably lower fee scale than it pays its employees. Frequently, these fees don't even cover our costs of operation. Moreover, the NPR scales set de facto standards for public radio acquisitions throughout the country. These paltry fees are forcing professional producers out of public broadcasting.

Though CPB, as the major funder in public radio, is in a unique position to direct the use of its funds and the rates paid producers by grantees, it has shown no inclination to do so.

While CPB has maintained regular communication with radio independents it has evinced little leadership in important areas.

A major problem in the public radio system, which affects not only independents but also NPR and the station-based producers, is the total lack of research and development money.

CPB has consistently refused requests by independents, minorities and station groups to set aside some portion of its Radio Program Fund for development of new programming. The result is that only already well-endowed organizations can afford to develop major new projects. This CPB policy effectively places the future of public radio into the hands of a few sources not noted for their willingness to step outside the mainstream. The consequence? Mostly, more programming of whatever types have already been proven. Public radio imitates itself rather than innovates. Despite CPB's own criterion calling for programmatic risk, the majority of the Fund's dollars support established shows.

Another major problem for independents in particular is the lack of a distribution vehicle for individual programs and short-run series. Not every good idea is a "big idea." Sometimes small is beautiful, and a single program on one topic can have impact. But with CPB wed to the current wisdom in the system that only ongoing, "mega-series" can build and serve audiences, where do these small, beautiful ideas go? CPB has virtually relinquished its responsibility to fund single programs to the National Endowment for the Arts. Under the best circumstances the NEA is unable to fund more than half of program production costs. In most cases it offers closer to 20%. That kind of funding leaves no money for national marketing and distribution, so many fine programs reach only a handful of stations, which hardly serves American taxpayers.

If CPB was exercising its leadership role, it would be looking at the consequences for all of the system's producers of the recent "unbundling" of public radio, under which stations are given CPB grants to purchase national programs and program services. Yet less than 5% of independently produced programs are actually paid for by the stations which use them. Even where stations are willing to pay minimum broadcast fees ($5 to $25 per hour), there is no mechanism to determine which stations take the programs from the satellite and no cost-efficient way to collect these minimum usage fees from 25 to 150 stations. CPB has not even broached the problem.

In our view, CPB has missed the opportunity for leadership by failing to propose incentives for stations to maintain diversity of programming while continuing to build audiences. It has settled for, and paid for conventional commercial broadcast notions of programming by format, which mediate against the variety that public radio is uniquely positioned to provide.

Instead of commissioning diverse "second opinions" and calling on every bit of creativity, CPB appears content to follow the pack. Minorities are especially hurt by this policy, as we have seen from NPR's recent cancellation of "Enfoque Nacional." American drama has almost completely disappeared from the public radio airwaves.

What we're suggesting is that public radio can insist on being more than just a background service. It is a carrier of culture. It can be a critical link between creators and audiences. If it can't find the courage to lead rather than follow its commercial brethern, perhaps these Federal funds would be better invested in distributing cassettes, or buying time on commercial stations. We believe that there are less drastic solutions. We hope to have a hand in implementing them. But our experience to date suggests that only the kind of clear definition of "independent producer" contained in HR-4118 can assure a fair share of funding and a fair role in programming for independent producers.

We strongly support the NPR and NFCB calls for expansion of the public radio system. Efforts to increase the number of stations and the support for minority and community stations will contribute to the public's access to diverse programs.

We further request that you authorize the funding levels in S-2114 as an interim measure until such time as the more stable funding which would be provided by a Public Broadcasting Trust Fund can become a reality.

And once again, we urge that you insist on higher standards of leadership from CPB, and clearer deliniation of the mission of public broadcasting and its responsibilities to the American people.

Thank you for your time and attention.

NATIONAL PUBLIC RADIO

Office of the President

April 7, 1988

Honorable Ernest F. Hollings
U. S. Senate
Washington, D.C. 20510

Dear Senator Hollings:

As we told you in earlier correspondence NPR has spent the last year developing new program ideas that will enable public radio to serve better the needs of the Hispanic audiences. This review was undertaken as a result of a survey of the public radio listening audience which found that of the 235,000 Hispanic Americans who listen to public radio, particularly NPR's newsmagazines, only about 11,000 listen to NPR specialized audience programming including Enfoque Nacional. We believe we have developed a new format which will have substantially greater carriage than our present service and reach more listeners.

Beginning on May 2, NPR will offer public radio stations a five day a week, highly produced Hispanic news service in a format easily incorporated into station's local offerings and into the NPR newsmagazines heard daily on 350 public radio stations nationwide. In addition, based on early input from member stations, the program will be formatted so that stations can schedule it in segments. A station can use it to create a five-minute daily program, plus either a nine-minute daily module or 45 minutes of weekly module material.

Each afternoon's program will be in two segregable parts. The first five minutes will include reports on breaking news stories. This segment will be self-contained and can be scheduled as a stand-alone five minute weekday strip. The information will be timely and will not be fresh for future use.

The remaining nine minutes of the broadcast will include reporting of trends, features, profiles and cultural stories. This portion of the program will be designed so that the information will be current for at least a week. This will allow stations to use the segments in different ways to meet the needs of their local communities.

2025 M Street NW Washington DC 20036 Telephone 202 822-2000

In addition, much of the material for this new show will be acquired from reporters and producers, both station based and independent, from around the country. Designed to appeal to a bilingual audience, the news will be presented initially in English and later in Spanish as well. We believe this consistent service will have wider carriage and larger audiences; and NPR will be producing roughly twice as many hours of programming with our existing resources. This new service is in addition to, not a replacement for, the Latin American News Service produced by public station KXCR-FM in El Paso and distributed by National Public Radio.

In February, Isabel Bahamonde accepted a job with NPR as senior editor of the national desk responsible for stories filed by NPR reporters, station reporters and independents from around the country. Ms. Bahamonde most recently worked as national assignment editor for the television program "Mundo Latino" a daily broadcast by the Spanish International Network. Ms. Bahamonde joins NPR in April and we look forward to a new and different perspective she brings to the job.

We appreciate your interest in both NPR and public radio's continued commitment to serving Hispanic audiences.

Sincerely,

Douglas J. Bennet

NATIONAL PUBLIC RADIO

Office of the President

April 11, 1988

Honorable Daniel K. Inouye, Chairman
Communications Subcommittee
227 Hart Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

We appreciate the opportunity to respond to the comments and recommendations made by Mr. Arnold Torres during the Public Broadcasting Authorization hearings.

My fundamental response is this: NPR is determined to serve the public, including Hispanic audiences, effectively. To that end we are scrutinizing critically each and every part of what we are now doing, working with people throughout the public radio system to make improvements, and trying to invent new services which will better fulfill our public trust. Mr. Torres chooses not to encourage this process, but speaks for a very small group of producers interested in maintaining an inadequate status quo.

Mr. Torres quoted from an "internal report" done by NPR that he says demonstrates NPR's lack of commitment to minority programming and minority concerns. The purpose of that report, which I ordered done, was precisely to evaluate NPR's services to ethnic minorities and targeted audiences. Consultations were conducted with 66 individuals in 10 cities who are participants in public radio, affiliated with advocacy organizations, and other interested or affected parties. In addition, 94 station managers and program directors participated in the discussion. The aim was to find ways to improve our service to unserved and underserved audiences. The new Hispanic News Service and the Special Projects due to air in the fall are outgrowths of this process. We believe it was an important and useful exercise even though some participants' comments are naturally critical, especially when taken out of context.

Continuing this programming suggested by Mr. Torres that had aired for the last eight years but was not reaching its intended audience might have been an easier decision politically but would hardly have kept faith with the Hispanic audience who deserves meaningful service.

2025 M Street NW Washington DC 20036 Telephone 202 822-2000

Mr. Torres' assertion of NPR's lack of commitment to minority employment is specious. National Public Radio is in the first year of a new two-year EEO plan which takes the company through September 30, 1989. NPR compared its workforce statistics to those of the available skilled labor force, in this case Washington, D. C. communications industry data collected by the FCC. The comparison determined that there is imbalance between certain jobs at NPR and the FCC statistics. As a result of this analysis, NPR targeted these positions for minorities and female hiring. In addition, NPR targeted for minorities positions with a salary over $33,000 (other than positions where substantial work force comparability has been achieved in the past two years).

Minority representation overall at NPR has increased from 21.3 percent in 1983 to 29.1 percent in 1987. Minority representation in the Officers/Managers job category has increased from 17.4 percent in 1985 to 24 percent in 1987; in the professional job category, the increase has been from 17.4 percent in 1985 to 21.1 percent in 1987. The Vice-President in charge of news at NPR is a minority person; the senior editor in charge of all national news is a Hispanic woman.

Despite improvement in the percentages of minorities in higher level jobs at NPR, we recognize that minorities continue to be underrepresented in a variety of positions and at the upper salary ranges of some job categories. Women are also underrepresented in certain jobs. We are hiring a Special Assistant to the President for EEO to assist us in achieving the employment goals we have set.

Mr. Torres' three legislative recommendations fail to address the real issue with which NPR and the public radio system must grapple.

His first recommendation is that there be no funding increase, presumably for CPB, which will only mean greater scarcity of resources for addressing the needs of minority audiences.

His second recommendation for language directing NPR and CPB to maintain Spanish language programming on public radio will not solve the essential problem, which is that today's public radio stations, most of which program in English, generally cannot successfully reach audiences by adding in a little Spanish language programming, particularly in off-peak hours. The solution we propose is to develop an English language Hispanic service for the majority of public stations, along with a Spanish version for placement on commercial

stations which already have a substantial Spanish speaking audience who will benefit from the service. Meanwhile, the public radio stations will continue their existing service to Hispanic audiences as well as offer new and improved vehicles as they are developed.

Public radio programming is always offered first to a non-commercial public radio station and is rarely carried on commercial stations. In some cases, if there is no public radio station in a market or if the NPR member station chooses not to carry the program, NPR offers it to a commercial station to reach an unserved or underserved audience. When we succeed in diversifying the public radio system, as outlined in my testimony, there will be enough Spanish language public stations so that the need to reach beyond our present instruments will be less.

Mr. Torres' third recommendation that CPB and NPR develop a plan for assessing interests and meeting the needs of Hispanics including a detailed affirmative action plan is unnecessary. We have urged CPB to try to define clearly the opportunity for public radio to serve Hispanic audiences. As described earlier, NPR has in place an appropriate affirmative action plan addressing all minorities including Hispanics.

Again Mr. Chairman, we appreciate an opportunity to respond and ask that this letter be included in the record of the hearing.

Sincerely,

Douglas J. Bennet

KUVO 89.3FM

PO Box 11111 Denver, CO 80211 (303) 934-5880

TESTIMONY TO THE SENATE OF THE UNITED STATES ON HISPANICS IN PUBLIC RADIO

March 15, 1988

by: Florence Hernandez-Ramos
President & General Manager
KUVO 89.3 FM
P.O. Box 11111
Denver, CO

KUVO 89.3 fm is a Hispanic-controlled public radio station. It is licensed to Denver Educational Broadcasting in Denver, Colorado and serves Colorado's Front Range. KUVO began broadcasting on August 29, 1985. Its programming is a music format of Latin jazz, jazz fusion, salsa and blues interspersed with public affairs, news and information in English. On Sundays, it offers specialized programs including Spanish-language programs "Cancion Mexicana" and "La Nueva Voz." Sundays also offers Brazilian music, a blues program, a salsa hour, a musical examination of the African roots of American music styles and a New Age music show. KUVO broadcasts on a 21-hour a day, five days a week from 5 am to 2 am. Its signal reaches as far north as Cheyenne, Wyoming.

Hispanic Participation in Public Radio

Hispanic participation in public radio, either as broadcasters or as listeners, is limited in relation to their percentage of the U.S. population. There are fewer than a dozen Hispanic-controlled stations in the United States and even smaller numbers of radio program production entities devoted to producing programming for Hispanics.

Hispanics represent a tremendous potential audience for public radio in those markets where there is a concentration of Hispanics. At the same time, public radio's public affairs and news programming has a great deal to offer to Hispanics and other ethnic minority groups. To increase Hispanic participation in public radio one must devise a strategy for increased program delivery, specialized programming and sophisticated marketing.

Spanish & English Program Vehicles

The Hispanic community in the United States is vast and diverse. It is not a monolithic community that can be addressed by one language or one style of music or one radio station. There are Hispanics who speak only Spanish and there are Hispanics in the United States who do not speak, read, write or understand Spanish and are monolingual in English. English and Spanish are both legitimate mediums that can address Hispanics.

Hispanics constitute a special market that breaks down into distinct segments defined by age, musical tastes, socio-economic status, language ability, etc.
Public broadcasters, just like commercial broadcasters, must decide which segment of the Hispanic audience they wish to serve and then design programming and promotion for that niche.

If a public radio station or a program production entity decides to serve the bilingual or mono-lingual English-speaking Hispanic, it must logically produce programs about Hispanics in English, it must utilize Hispanics as key players in its programs about "non-Hispanic" issues such as the nuclear arms race or inflation, and it must develop promotional materials targeted to this group.

If the mono-lingual Spanish speaker is the target, the programming must necessarily be in Spanish. The trick here is to decide what particular Spanish-speaking group one is addressing - is it Cubans, Mexicans, Puerto Ricans or is one striving for a more universal appeal to Spanish-speaking Latinos in a certain age bracket. That designation will guide the development of the programs and the promotional materials.

Conclusion

In discussing Hispanic programming in public radio, there are no easy answers because the questions are complex and extensive. Who are you trying to serve or who can best be served by public radio in any particular market with the resources that are available - the monolingual Spanish-speaking Hispanic, the Hispanic who speaks only English; the bilingual Hispanic; the recent immigrant; the farmworker; the college graduate; the urban teenager; the rural listener?
Answers begin from an articulation of the target group. Defining the target group takes a number of factors into consideration including the social mission, the potential audience and the available resources of the station or production group. There are diverse entities within public broadcasting addressing different segments of the Hispanic audience through various programs and program formats. That work should continue where appropriate; that work should be supported; that work should be augmented.

WVMR

1370AM
Dunmore, W. Va. 24934
799-6004

March 30, 1988

Dear Senator Inouye:

We understand that the Senate Communications Subcommittee, which you chair, is currently considering the reauthorization of funding for public broadcasting, the Public Telecommunications Act of 1988. I am writing to draw your attention to an aspect of the current Corporation for Public Broadcasting rules which we hope may be changed through this legislation.

WVMR is a 5,000 watt non-commercial dawn to dusk AM station which provides the only local broadcast service to Pocahontas County, WV, an area of some 1,000 square miles of isolated mountainous terrain which is home to 9,000 people. Our county lies outside the primary coverage area of any CPB-qualified station. WVMR is owned and operated by the Pocahontas Communications Cooperative, a non-profit organization with over 600 members. Before WVMR went on the air in 1981, local news was covered only by one weekly paper. WVMR provides the only daily coverage of local government activities and the only up-to-date local news and weather reports. During the severe flooding of 1985, WVMR was the communications link for the entire community for a three day period. Our call-in public affairs programming on local issues acts as a "town meeting of the air" for our scattered population.

It seems to us that the service we provide is of the essence of what public radio is about: providing basic communications to a community which the for-profit private sector cannot or will not serve. But under present regulations, we do not qualify for a Corporation for Public Boradcasting Community Service Grant (CSG) - because we are too small. Private donations from our service area amount to almost $2.50 per capita in a community with a 13% unemployment rate, but our total cash budget is only a little over $50,000 per year.

West Virginia Mountain Radio

A broadcast service of Pocahontas Communications Cooperative

National Public Radio has recognized the special case of small stations providing first service to a community with the creation of their "Auxiliary" category. In 1986 WVMR became an NPR Auxiliary, but in six months we had to drop our affiliation because, as economic hard times deepened in Pocahontas County, we could not afford even the modest Auxiliary dues. We feel that CPB should establish a similar "Auxiliary" status to provide some operating support to rural stations providing the first public radio service to their community - or at least to those stations which, like WVMR, provide the only local radio service. The per station reduction in CSG's to the larger stations would be miniscule, but the funds - even $10,000 per year - would make a great difference to the WVMR's of the non-commercial radio world.

Our Station Manager, Diana Barton, and I will be in Washington on Monday, April 18, and would appreciate the opportunity to meet with you or a member of your staff to explain our position further, in the hopes you will want to speak to your colleagues who serve on the Communications Subcommittee about this matter. Please call me if you would like further information.

Thanks for your help.

Sincerely,

Gibbs Kinderman